UNIVERSITY OF SOUTHERN QUEENSLAND

Doctor of Business Administration

DISSERTATION

How Do Executives in the Colombian Coal Mining Industry Deal with Effective Leadership Practice?

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by

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4. All the previous researchers who have worked in the interesting and fascinating field of Effective Leadership Practice.

CERTIFICATION OF DISSERTATION

I certify that the ideas, experimental work, results, analyses and conclusions reported in this dissertation are entirely my own effort, except where otherwise acknowledged. I also certify that the work is original and has not been previously submitted for any other award, except where otherwise acknowledged.

8th August 2009

Signature of Candidate
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Date

ENDORSEMENT

Signature of Supervisor/s

Date

ABSTRACT

Conducting business in another country can be difficult and even more so when there are differences of culture, law, politics and ethics. Knowledge of these issues is essential for effective management. The focus of this study is on effective leadership practice in the environment of the Colombian coal mining industry.

This research project seeks to develop an explanatory model of effective leadership practice by executives in coal mining companies in Colombia and, thus, sets out to identify the key issues of the Colombian business environment and explore the strategies adopted by executives in effectively managing this business environment. The model developed for this research project attempts to highlight the issues of executive leadership practice, influencing factors, indicators of effectiveness, contextual dynamics and strategic leadership in the context of current modern leadership practices.

Accordingly, the research problem addressed in this study is: ***How do executives in the Colombian coal mining industry relate to effective leadership practice?*** Six research issues were developed in the respective sections of the relevant literature. This research is important because it will add to the body of literature and provide a briefing to those companies and their executives who are either already in Colombia or considering entering the country. The study can also be justified on the basis that the mining industry is now a major industry and the number of foreign companies entering this market is increasing. Additionally, there also appears to be a limited amount of literature regarding specifically how key indicators are perceived to determine effective leadership practice in this Colombian business environment. It is not possible to assume that effective leadership practice in one culture can be readily transferred to another culture (Pillai, Scandura & Willliams. 1999).

A research paradigm based on critical scientific realism was selected as appropriate for this study because the research involves action-related case analysis of real and complex situations. The basis for this decision is covered in chapter 3. While this study focuses on foreign coal mining companies, there are other foreign companies such as metalliferous mining and oil companies operating in Colombia and the issues

affecting the coal mining companies are also representative of those affecting other foreign companies.

Overall, the findings found that effective leadership practice as a concept was understood and described by the executives interviewed and they identified eight main attributes which they believed described effective leadership practice and these responses were in line with the definition presented in chapter 2 of this study. Additionally, the responses to the survey indicate that in Colombia leader legitimacy and acceptance is often contingent on non-utilitarian qualities of the leader. Given the importance of the involvement/engagement of executives in the process of effective leadership practice in order to ensure successful outcomes, additional research—specifically in the area of the influence of strategic agendas on effective leadership practice—needs to be conducted looking at the requirements for success and the vision for the future in the context of the environment in which these coal companies and their executives operate in Colombia.

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1. INTRODUCTION

1.1. Background to this Research

It has been identified that international management scholars and practitioners agree that it cannot simply be assumed that leadership behaviours effective in one culture can be readily transferred to other cultures (Pillai, Scandura & Williams 1999). This is evident when looking at the experiences of foreign coal mining companies operating in Colombia who have to deal with often complex and confusing bureaucratic systems, corruption in the public sector and issues relating to professional ethics and behaviour.

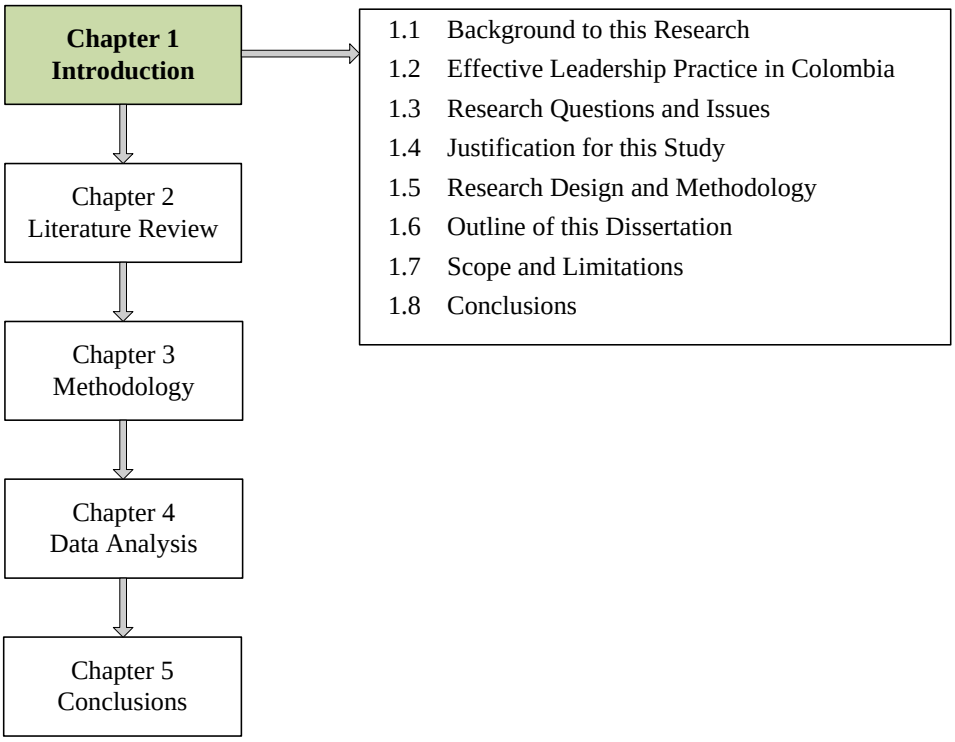
The purpose of this study is to seek to develop an explanatory model of effective leadership practice in the context of coal mining companies operating in Colombia and, thus, to identify and explore the key issues and strategies adopted by executives in effectively managing this business environment and to review executive understanding of effective leadership in the Colombian coal mining industry. More specifically, there is a need to understand what constitutes effective leadership practice in different national, cultural and business contexts. Therefore, this study will expand the knowledge of leadership in this environment and attempt to discover relevant principles and concepts which may be applied to assist leaders/managers in other multi-national companies entering this market.

The purpose of this chapter is to outline the main elements of this research study in effective leadership practice in the Columbian coal mining industry. It also provides the background and sets out the objectives of this research, as well as providing an outline of the thesis structure.

Chapter 1 comprises eight main parts. The first section provides a brief overview of the background and business environment for the study which includes the influence of Colombian society and the importance of the coal industry in Colombia (1.1). Section 1.2 follows with a discussion on effective leadership practice in Colombia, then the research question and issues are formulated (1.3). The justification for the study is provided in Section 1.4. The research design and methodology is then discussed (1.5), followed by a more detailed outline of this dissertation (1.6). The

scope and limitations of this study are addressed in 1.7 and, finally, conclusions to the study are offered (1.8).

Figure 1.1 Outline of Chapter 1, with section numbers noted



1.1.1. The Influence of Colombian Society

The structure of Colombian society is strongly influenced by traditions inherited from sixteenth-century Spain and these traditions—that are highly stratified and well defined—impact on all levels of society. This influence also impacts significantly on how business is conducted in Colombia and needs to be clearly understood. The upper class comprises two interrelated groups: the traditional landed elite; and the new rich, who owe their status primarily to successful entrepreneurship. The former continue to base their elite status on distinguished lineage and a respected family name, together known as *abolengo*, and on the ownership of large tracts of land. They frequently provided personnel for the highest offices in the government, the church, and the military (Barco 1988). *Abolengo* remained virtually the sole determinant of upper-class membership in rural communities, as well as in some traditionally oriented cities, such as Popayán. However, in larger cities and in areas accessible to their influence, wealth was probably equally or more important in

determining elite status. In urban areas, a person's family history was frequently not as significant as the financial ability to maintain the life-style that had come to be associated with the social elite. The upper class has been very successful in maintaining their position and controlling change through the system of informal but powerful decision-making groups called *roscas*, the name for a twisted pastry. Competing groups often bargain and trade favours among themselves. A casual observer may not recognise the linkages within such groups until he or she begins to do business in an area or needs something done in an official capacity. A rosca is a vitally important system in both the social and the political context because it is at this level of interaction that most political decisions are made and careers determined. These *roscas* link influential individuals and institutions in such a way that a prestigious university, a commercial bank, an investment bank, an association of industries and agricultural interests might all be co-ordinated and controlled by a few persons (Barco 1988).

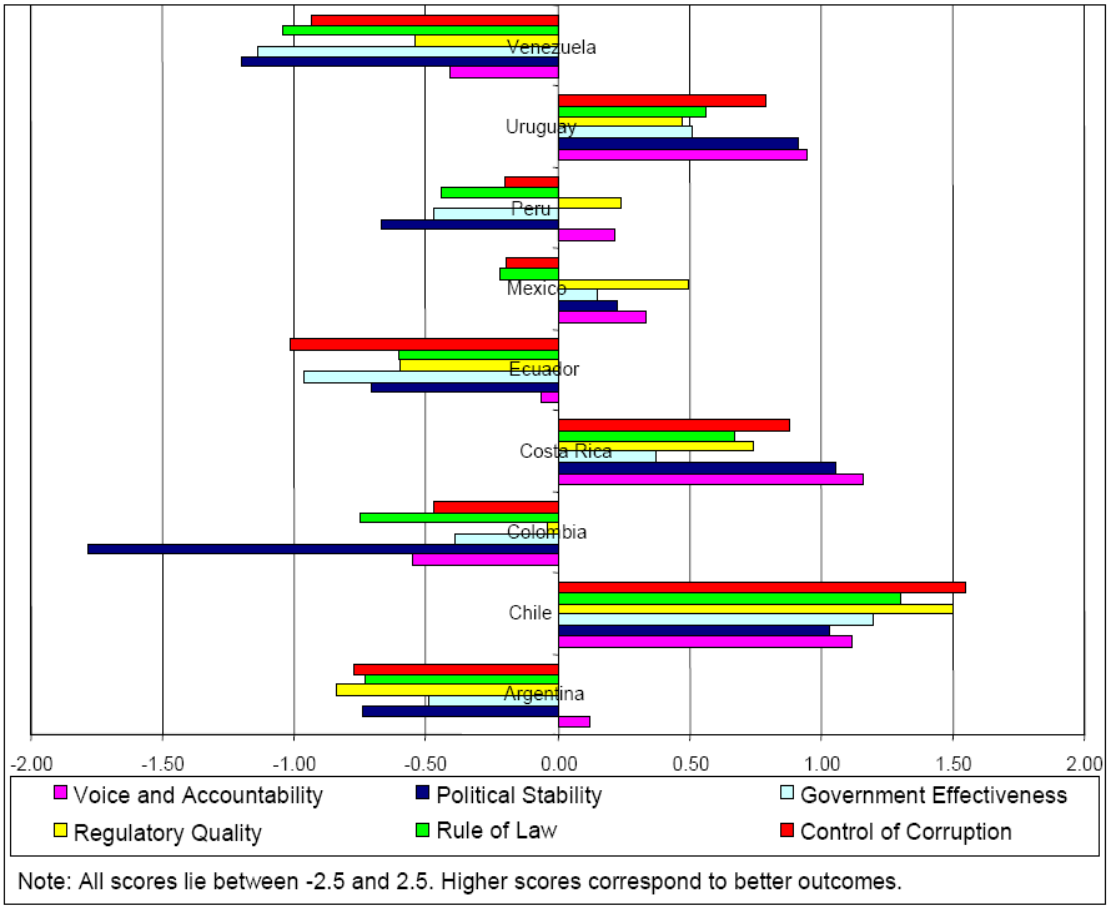
In recent years there has been an increasing awareness on the part of business, the government and the public of Colombia of the costs and impact of corruption on Colombian society. A quick overview of the Colombian landscape reveals a number of overarching and insoluble problems (O'Brien 1999a). How does a company deal with the issues of business ethics in a country torn by civil war? Between the left-wing insurgencies and the right-wing paramilitary forces, much of the countryside has suffered significantly from the ravages of war. Drug trafficking is interwoven on both sides of this conflict and all sides profit handsomely despite, and probably also because of, the conflicts. To this mix can be added the social problems of poverty, changing urbanisation patterns and a society plagued by corruption (O'Brien 1999a).

Corruption exists at numerous levels from petty 'grease' payments to low-level bureaucrats to very large kickbacks to senior officials and entrepreneurs for large public works projects. This problem is exacerbated by complex bureaucratic systems and confusing red tape. A Colombian version of patronage called *clientelismo* is deeply entrenched as a political strategy, and this results in turnover and questionable appointments many layers deep in government organisations. All of these issues are not uncommon in developing countries and contribute to some of the significant

problems (refer to section 1.2.2 below) which confront executives and impact upon effective leadership practice in the Colombian coal mining industry.

According to Kaufmann, Kraay Mastruzzi (2003), the main problematic areas of governability in Latin America are corruption, political instability and the lack of voice and accountability. In 1996, the richest 10% of the population in Latin America received 25% of the national income, while the 30% poorest received only 7.5% of the total (Inter-American Development Bank. 1998). According to the World Bank, the population living below the poverty line in Latin America was 27%, which means that 180 million people were living on less than US$2 per day. Additionally, 80 million people were suffering extreme poverty with incomes less than US$1 a day (World Bank 2003). The governability measure (refer to figure 1.2 below) launched in 2003 shows that there is a low governability performance for all the countries except Chile, Costa Rica and Uruguay. Corruption is a factor that strongly affects the governance situation in Venezuela, Ecuador, Argentina and Colombia. Political instability is worst in Colombia. This represents concern in the region. However, political stability has been deteriorating in Venezuela since 2002 and in Bolivia since April 2003. Finally, regarding voice and accountability, this critical situation is present in Colombia, Venezuela and Ecuador (Kaufmann et al 2003).

Figure 1.2 The Governability Measure



Source: Daniel Kaufmann, Aart Kraay and Massimo Mastruzzi, 'Governance Matters III', pp.99-115.

In Colombia, it has been common to talk about corruption in different scenarios such as in the political and social sphere, and even at the family level. The awareness of the impact and magnitude of this problem is considerable. After violence (96.3%) and delinquency (96%), for 94% of Colombians corruption is currently one of the most serious problems of the country (Sáez 2002). However, there is not enough evidence about the magnitude of this problem.

In 1998, the National Controller Office (NCO) published a report in which it estimated that Colombia lost 10% of its GDP because of corruption between 1994 and 1998. This represents US$3.9 billion (Contraloría General de la Republica 1998).

In 2001, the World Bank estimated that in 50% of public acquisitions, the sellers have to pay bribes equaling around 19% of the total value of contracts. This amount represents US$480 million per year. The World Bank also calculated that the budget

deviation represents US$1.76 billion, which represents around 11% of the Colombian budget (Sáez 2002). Although the above sources are respectable, in Colombia it is still difficult to estimate the magnitude of the problem.

According to experts in this field consulted by the World Bank and the National Planning Department (DNP) in Colombia, there are several causes of corruption in Colombia. It could be said that corruption has arisen for three main reasons: *clientelismo*, lack of controls and bribery (Wills 2002)—and all of these factors are interrelated.

1.1.2. Importance of the Coal Industry in Colombia

Currently, five foreign companies have invested in three large-scale coal mining operations and are exporting approximately 54 million tonnes of coal to the United States of America and Europe. This tonnage will increase to around 65 million tonnes over the next few years, requiring a major inflow of capital into Colombia. Colombian coal is a premium quality coal with free on board (FOB) vessel prices exceeding US$ 54 per tonne (Global Coal Report 2006) and Colombia is the world's fourth largest exporter of thermal coal and coal is the second largest export (12%) after hydrocarbons (26%), and now displaces coffee (7%). According to the Colombian Ministry of Trade, Industry and Tourism, in 2005 coal export revenues were US$ 2,598,187,000. This represented 4% of GDP supporting the trade balance and the finances of Colombia and these five foreign companies are producing in excess of 90% of the total coal for export (González 2004). Thus, the importance of this industry and these five companies to the Colombian economy cannot be understated in terms of employment, taxes, royalty payments and export revenues.

This research is important to these companies and their executives because the mining industry is now a major industry in Colombia and the number of foreign companies entering this market is increasing. There also appears to be a limited amount of literature regarding specifically how key indicators are perceived to determine effective leadership practice in this Colombian business environment.

1.2. Effective Leadership Practice in Colombia

1.2.1. The Business Environment

There are many unique factors in Colombia which have a significant impact on effective leadership practice. This section will attempt to briefly describe the business environment under which executives must function in order to manage the unique challenges and issues presented in the Columbian context. It will also identify an opportunity to study effective leadership practice of executives attempting to deal with such an environment.

Doing business in another country can be difficult and even more so when there are differences in culture, law, politics and ethics. These issues have parallels in many countries where there are differences in culture between the host and the expatriate. Therefore, issues inevitably arise out of dealings with government officials, local businesses, politicians and the many vested interest groups (such as local communities, unions and individuals—who perceive expatriates as being foreign and, therefore, having considerable wealth). In some countries, vested interest groups also include guerrilla groups, paramilitaries and organised criminal groups. The variation in national cultures and contexts can present an immense challenge to expatriate executives of companies operating in such environments.

1.2.2. Effective Leadership Practice

While this study looks at effective leadership practice it is first appropriate to look at defining leadership. Kotter (1996) defines leadership as a set of processes that creates organisations in the first place or adapts them to significantly changing circumstances. Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles Yukl (2002) defines leadership as the process of influencing others to understand and agree about what needs to be done and how it can be done effectively, and the process of facilitating individual and collective efforts to accomplish the shared objectives. For the purposes of this study the following definition of leadership by Yukl's (1998, p. 5) reflects the perspective of leadership as a process:

> *Leadership is a process whereby an individual member of a group influences others. Specifically he seeks to influence the interpretation of events, choice of*

> *objectives and strategies, the organisation of work activities, the motivation of people to achieve objectives, the maintenance of cooperative relationships, the development of skills and confidence and the enlistment of support and cooperation from other people outside the group.*

Leadership practice is a term that is used in the literature to identify the various behaviours and strategies adopted to meet the challenges at hand. Effective leadership practice tends to be a more qualifying term used to suggest behaviours and actions that will lead to successful outcomes (see, for example, Kouzes, Posner & Peters 1996).

This study presents a unique opportunity to examine effective leadership practice in the context of the challenging environment of executives in the coal mining industry in Columbia—an environment that is both difficult and complex and where the normal issues of effective leadership practice assume a different perspective to that which expatriate executives would have been exposed to prior to working in Colombia. Warner (2002, p.4) has identified ten characteristics of effective leaders, namely, vision, shared vision, empowerment, values, communication and trust, collaboration, networking and strategic alliances, charisma, partnerships and teamwork. While there is no reason to doubt that these characteristics also exist in the Colombian context, there are the influences of specific issues relating to culture, law, politics and ethics which, while they have many parallels to those of other developing countries, appear to have influencing factors which are unique to Colombia.

There is a need to identify, define and understand these key factors and indicators that determine effective leadership practice in the Colombian coal mining industry and to understand the influence of strategic agendas and how executives there deal with change and innovation in this environment. This study seeks to identify the challenges confronting executives in the Colombian coal mining industry, specifically those regarding effective leadership practice in relation to major leadership behaviours such as integrity, communications, vision, competency, and empowerment. This is also aligned with the work of Kouzes and Posner (2002) who argue leadership is a relationship between those who aspire to lead and those who choose to follow. Kouzes and Posner consider the five fundamental practices of

exemplary leadership to be challenging the process, inspiring a shared vision, enabling others to act, modeling the way, and "encouraging the heart".

1.2.3. The Challenges to Effective Leadership Practice

There has been some coverage of the problems of multinational companies doing business in Colombia, for example, studies to date have tended to focus on parts of the problem, rather than the problem as a whole. Also, there have been studies conducted on the issues of business ethics in Colombia and in many third world countries including Africa, Asia, parts of Eastern Europe and the Middle East (O'Brien 1999a) which identified that there are a number of overarching and insoluble situations and asks if it is reasonable to discuss business ethics in a country torn by civil war. Moreover, Colombia does not have a genuinely representative democracy. Real power is wielded by a small, elite aristocracy behind a façade of elected officials and institutions not yet negatively affected by the insecurity to change the situation and who are comfortable with the existing conservative economic policy and weak institutions of government.

This lack of cohesive governance has produced an environment conducive to impunity, Marxist insurgents, illegal drug mafias, private justice groups (paramilitary, self-defence, or other), rogue military or police elements, and criminals (organized or otherwise) (Zackrison 1998). There appears to be a significant number of parallels between Columbia and research conducted in other countries. Specifically, issues of culture, law, politics and ethics have many parallels to those of Indonesia, Malaysia and the Philippines (Erwee & Perry 1999).

Some multinational companies and their employees based in politically and economically unstable countries such as Colombia have become platforms from which opposition politicians or rebellious factions can generate publicity. Generally, these companies will face political risks caused by: corruption arising from the host government's move to entice foreign investments; insurgents extorting from multinationals; and opposition activists who attack foreign investors (The Economist 2000).

Another concern for expatriate employees is the possibility of kidnap—a scenario which multinational companies must deal with by purchasing kidnapping and ransom

coverage. This then results in accusations that the multinational companies are perpetuating the extortion industry, although defenders are quick to point out that paying is the only means to ensure security (Kielmas 1996). These types of concerns present specific challenges for executives in the coal mining industry in Columbia and raise the issue of what constitutes effective leadership practice in this context.

1.2.4. The Issues Impacting on Effective Leadership Practice

Issues that should be identified by multi-national companies are those such as choosing to operate on an ethical level that is higher than that required by local law; becoming involved in making contributions to civic and charitable organisations and non-profit institutions within Colombia; providing benefits for employees and improving the quality of life in the workplace beyond economic and legal requirements; and to consider taking advantage of an economic opportunity that is judged to be less profitable, but more socially desirable than some alternatives should this dilemma arise. Additionally, multi-national companies should consider using corporate resources to address, where possible, major social problems such as local health and education.

Another issue is whether a company operating abroad should impose the same standards abroad as they do at home and how to operate successfully wholly within the political, cultural and ethical framework of their host country. Imposing the standards of a developed, first world country in the third world is criticized by some as a form of ethical imperialism (Berman 1983). The requests of third world countries for help in improving living conditions and developing the local economy, although often expressed as demands for justice, are pleas for a kind of ‘corporate philanthropy’ that is, at best, a maximal duty and not a moral minimum (Donaldson 1989). Further impoverishing a people or violating a fundamental human right, however unintentional, is a failure to observe minimal obligations that apply to all organisations.

This research is important because it will add to the body of literature and can also be justified on the basis that the mining industry, as already stated, is now a major industry and there appears to be a limited amount of literature regarding effective leadership practice specific to Colombia and the way to counteract this is to develop

an explanatory model of effective leadership practice in the Colombian business environment.

1.3. Research Question and Issues

Within the broad field of leadership studies, this research focuses on the opportunity to better understand the nature of effective leadership practice in a specific and challenging context. This study developed an explanatory model of effective leadership practice by executives in coal mining companies in Colombia and to identify/explore the key issues of the Colombian business environment by examining the strategies adopted by executives in effectively managing this business environment. This model will attempt to highlight the issues of effective leadership practice, influencing factors, indicators of effectiveness, contextual dynamics and strategic leadership in the context of current modern leadership practices. Accordingly, the research problem developed for this study is:

How do executives in the Colombian coal mining industry relate to effective leadership practice?

The following six research issues are developed in the respective sections of the relevant literature in chapter 2 and summarized below.

Specific research issues include:

RI 1: How do executives in the Colombian coal mining industry describe effective leadership practice?

RI 2: What are the key individual factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

RI 3: What are the key situational factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

RI 4: How have strategic agendas influenced effective leadership practice for executives in the Colombian coal mining industry?

RI 5: How have organisational change and innovation initiatives influenced effective leadership practice for executives in the Colombian coal mining industry?

RI 6: How have business ethics and social responsibilities influenced effective leadership practice for executives in the Colombian coal mining industry?

In dealing with the research problem, this study will investigate and identify what executives are reportedly doing to practise leadership successfully in the context of these six issues in the Colombian coal mining industry. Further details of these research issues will emerge from the review of the relevant management and leadership literature. This is important in order to determine the scope of the research conducted thus far, and to identify areas for future research.

1.4. Justification for this Study

This research seeks to identify and provide an understanding of how executives in the Colombian coal mining industry perceive and relate to effective leadership practice because this information will provide a benefit to those companies and their expatriate employees who are either already in Colombia or considering entering the country. This research can be justified by the four major reasons: the significance of the coal industry to the Colombian economy; it will add to the body of literature; the research methodology used; and the utility of the findings.

Firstly, the mining industry is now a major Colombian industry (refer to section 1.2.1) and the number of foreign companies entering this market in increasing. There are a number of foreign businesses that have survived—for others it has been a costly and highly risky misadventure. The cost of entry can be high and certainly the cost to exit is higher for the unwary. While the country risk is too high for some companies, for others (the risk takers) it promises to be rewarding. It has been difficult to find information from businesses that have identified and then successfully dealt with the causes of the underlying problems that confront foreign businesses in Colombia, such as politics, culture, ethics and law. The importance of this industry and these five coal mining companies to the Colombian economy cannot be understated in terms of employment, taxes, royalty payments and export revenues.

Secondly, there also appears to be a limited amount of literature regarding specifically how key indicators are perceived to influence effective leadership practice in this Colombian business environment. One of the problems is that when a multinational company establishes itself in a new environment such as that of Colombia it usually falls into the trap of transferring its existing policies and procedures, as well as its business culture, from its home country directly to the new country. While it may attempt to make minor changes, people who have not experienced the new culture usually determine these changes.

It is also necessary to identify how key factors are perceived to influence effective leadership practice in this Colombian business environment as there are a number of factors that may influence effective leadership practice and one, for example, is that of cultural distance (Erwee & Perry 1999). Shared values (Morgan & Hunt 1994) are also identified as a direct precursor of both relationship commitment and trust and are the extent to which common beliefs about what behaviours, goals and policies are important or unimportant or appropriate or inappropriate. In addition, it is necessary to identify the impact of the influences of strategic agendas, change and innovation, and ethics and social responsibility in this environment with regard to the outcomes of effective leadership practice in order to advance the body of knowledge on this subject.

Thirdly, studies to date have tended to focus on parts of the problem, rather than the problem as a whole. There have been studies conducted on the issues of business ethics in Colombia and in many developing countries in Africa, Asia, parts of Eastern Europe and the Middle East (O'Brien 1999b); and there appears to be a significant number of parallels between the work done in other countries and Colombia. The specific issues of culture, politics and ethics have many parallels to those of Indonesia, Malaysia and the Philippines, but there appears to be a number of traits that are unique to Colombia which this study will seek to identify. The existing material appears to be largely quantitative in nature and this study will utilise a qualitative research methodology based on the use of case studies using, principally, in-depth interviews. It is anticipated that this research methodology (Perry 1998) will fill the gaps in the knowledge of the key issues associated with effective

leadership practice in the Colombian coal mining industry through this research methodology.

Fourthly, there are potentially useful applications of the research findings as it has been identified that international management scholars and practitioners agree that managers cannot simply assume that leadership behaviours effective in one culture can be readily transferred to other cultures (Pillai et al. 1999). This is evident when looking at the experiences of the foreign coal mining companies operating in Colombia. While there have been a number of studies conducted which attempt to identify the broader issues such as politics, culture, ethics and law and the causes of the under lying problems that confront foreign businesses in Colombia, it has been difficult to find any information from businesses that having identified these issues, have then successfully dealt with them.

There are many issues that affect the Colombian business environment and it is proposed through this study to obtain a better understanding of the key issues influencing effective leadership practice, in this case in the Colombian coal mining industry, in order to advance the body of knowledge on this subject.

1.5. Research Design/Methodology

The leadership literature was found to be based on a limiting set of assumptions, mostly reflecting Western industrialized culture. Almost all of the prevailing theories of leadership, and the empirical evidence at hand, are rather distinctly American in character. Further, a number of important topics are largely ignored or only very recently addressed in the leadership literature (House & Adyita 1997).

There has been some coverage of the problems of multinational companies doing business in Colombia. Studies to date have tended to focus on parts of the problem, rather than the problem as a whole. Also, there have been studies conducted on the issues of business ethics in Colombia and in many developing countries in Africa, Asia, parts of Eastern Europe and the Middle East (O'Brien 1999b). There appears to be a significant number of parallels between the work done in other countries and Colombia. The specific issues of culture, politics and ethics have many parallels to those of Indonesia, Malaysia and the Philippines. It is proposed to address this in the research issues and from this to use a research paradigm utilising case study

methodology. It is intended to justify this approach and then to describe and justify all of the elements in the research design.

1.5.1. Justification of the Research Paradigm

This research will attempt to identify the external realities surrounding effective leadership practice in the identified environment. Therefore, in this research, the case studies will be utilised to focus on particular situations, that is, situations that produced outcomes of success or failure for the companies involved, as stated in the research question.

The case studies are expected to provide fullness and depth of contextual meaning, illuminate and raise the possibility of new perceptions, and induce understanding from immersion into the data and experience (Merriam 1988).

1.5.2. Data Sources

There are two sources of data, primary and secondary. Primary data is the data collected specifically for this research, and secondary data is the available data collected previously for other purposes. Both these types of data will be gathered for this study (Zikmund 1997; Malhotra 1996).

Convergent interviews with industry professionals were conducted to provide initial insights into the issues. The in-depth interviews will further address the research issues and specifically address the research question.

1.5.3. Justification of Case Study Methodology

The approach this research takes is an inductive, theory-building method based on a relatively underdeveloped theoretical base. This is applicable to the proposed case study because the focus will be on investigating the issues in a real life situation where the boundaries relating to culture, ethics, politics and law all tend to overlap and there are multiple sources of evidence of this.

Therefore, in this research, the realism paradigm is adopted and the case study method will be utilised to focus on particular situations, that is, situations that produced outcomes of success or failure for the companies involved, as stated in the research question. The case studies are expected to provide fullness and depth of

contextual meaning, illuminate and raise the possibility of new perceptions, and induce understanding from immersion into the data and experience (Merriam 1988).

1.5.4. Research Design

This research is exploratory in design. Its purpose is to obtain a good understanding of the situation, that is, the facts, people and concerns, and to discover ideas with which to clarify and refine the research issues and the model (Zikmund 1997; Neuman, 1997; Cooper & Emory 1995). Additionally, this exploration phase was developed with a sense of direction for possible future research of a more descriptive or causal nature. In the first instance there were two pilot interviews to refine the issues and the interview protocol. Then two exploratory interviews were conducted to gain initial insights into the issues involved, and to discuss this and other issues which may be of concern and, hence, significant. Finally, for this research, data was collected in twenty-four separate in-depth interviews with the target population. The basis for this approach is discussed in detail in section 3.6.2.

1.5.5. Target Population

There were three cases consisting of a planned target population which was made up of twenty-four people, consisting of five senior expatriate personnel and five senior national personnel from each of two coal mining companies currently operating in Colombia. In addition, four Colombian nationals who are partners in leading Colombian legal and accounting practices who are recognised business leaders with exposure to the business practices of the foreign coal mining companies provided a different perspective. Furthermore, within these three cases there were two sub-cases comparing executives and senior executives, as well as expatriate and national executives.

1.5.6. Sampling and Case Selection

For this research study the population and the sample frame are the same. The sample consists of four cases, which entails twelve four in-depth interviews. There are no rules for sample size in qualitative research (Patton 1990), but guidelines suggest four to fifteen interviews in order to cover minimum requirements of data and avoid confusion of too much data (Perry 1998b; Eisenhardt 1989; Miles & Huberman 1984). Thus, the sample size for this study falls well within those

guidelines, particularly with a view to constraints of time and costs, and availability of respondents.

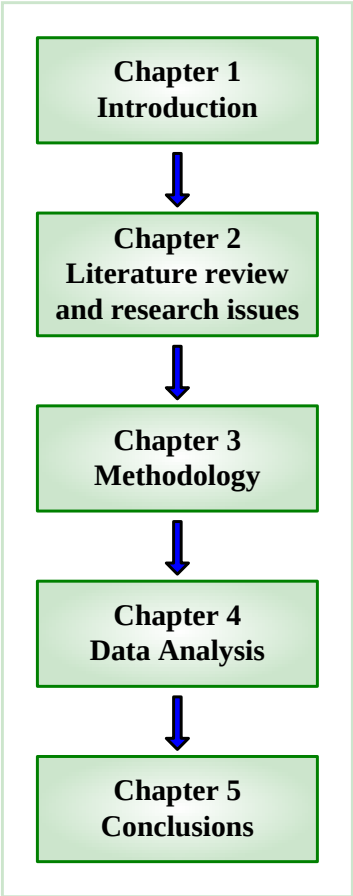
1.5.7. Case Analysis

While the interviews start as induction, the analysis of the data was deduction about some prior theories raised in the literature review. This, combined with replication, provides triangulation, that is, development of converging lines of inquiry of several different sources of information which, in turn, provided convincing and accurate evidence that contributes to construct validity (Yin 1994). The unit of analysis of this research was the success criteria of the companies. The content analysis began with several styles of coding in order to organise the data for retrieval (Neuman 1984; Miles & Huberman 1984).

1.6. Outline of this Dissertation

This thesis is structured into five chapters as shown in figure 1.3 below.

Figure 1. 3 Dissertation Structure



Chapter 1 presents an overview of the issues impacting on effective leadership practice in the coal mining industry in Colombia, which has become a growing and important industry to that country, followed by a discussion on effective leadership practice in Colombia, the background to the research question and issues, the justification for the study, the research design and methodology and then the limitations.

Chapter 2 provides a theoretical overview of research on the factors influencing effective leadership practice in the Colombian coal mining industry. This chapter starts by examining the concepts of management and leadership, looks at the study of leadership and then effective leadership practice in this environment. Gaps in the literature are then identified and the information collected from this literature review and qualitative research used to develop a model and hypotheses for

Chapter 3 describes and justifies the main methodology adopted for this research. Questionnaire development, data collection, and the method of survey administration are explained, substantiated, and discussed in detail.

Chapter 4 analyzes and presents results of the data collected for the research. Findings from the research study are then reported, together with the model and hypotheses testing.

Finally, chapter 5 evaluates the research findings from the previous chapter. A summary of each hypothesis is presented and conclusions are drawn in relation to theoretical and practical contributions. Limitations of the research are noted and opportunities for future research are suggested.

1.7. Scope and Limitations

This study will be limited in scope to only focus on foreign coal mining companies currently operating in Colombia. This is because in Colombia the national coal mining companies are very small operations that tend to use work practices and have management styles that would not meet international standards and are run by individuals who are very controlling and autocratic. Of the five international companies involved in coal mining in Colombia, only four were considered for the purposes of this study because the fifth company does not have any leadership roles in its operations in Colombia. All decisions are made offshore by one autocratic owner and its Colombian managers are Americans who work on a fly-in fly-out basis from Alabama and only interact with the nationals on a limited basis and there are no Colombian nationals with leadership or management roles in that company.

In conducting this study, it has also to be acknowledged that there are ‘other’ variables that may influence the success criteria. However, evaluating the model in this study without considering other foreign companies, such as metalliferous mining and oil companies, is still useful because the issues affecting the coal mining companies are also representative of those affecting other foreign companies.

Additionally, the primary limitation to qualitative research is that it is subjective in nature and, as such, the measurement process is dependent on the researcher's selection process (Zikmund 1997). The interpretation of the data is based on

judgment, the samples are not representative of the population, and the techniques do not allow for quantitative measurement (Zikmund 1997). As well, the data collection tools potentially suffer from severe limitations. For, example, the in-depth interview is very dependent on the skills and abilities of the interviewer (Zikmund 1997).

The limitations can be minimised by ensuring that the issues of construct validity, internal validity, external validity and reliability are effectively dealt with throughout the proposed case study (Yin 1994)

1.8. Conclusions

This chapter establishes the foundations for the research. It provides the background information of the study and introduces the research question and research issues relating to effective leadership practice in the targeted environment and identifies issues such as influencing factors, indicators of effectiveness, factors for sustainability and contextual dynamics.

Subsequently, it identifies the decision to use a research paradigm based on critical scientific realism for this study because the research involves action-related analysis of real, complex situations. The basis for this study has been outlined, and the limitations given. On these foundations, the researcher can now proceed to a literature review, as reported in chapter two.

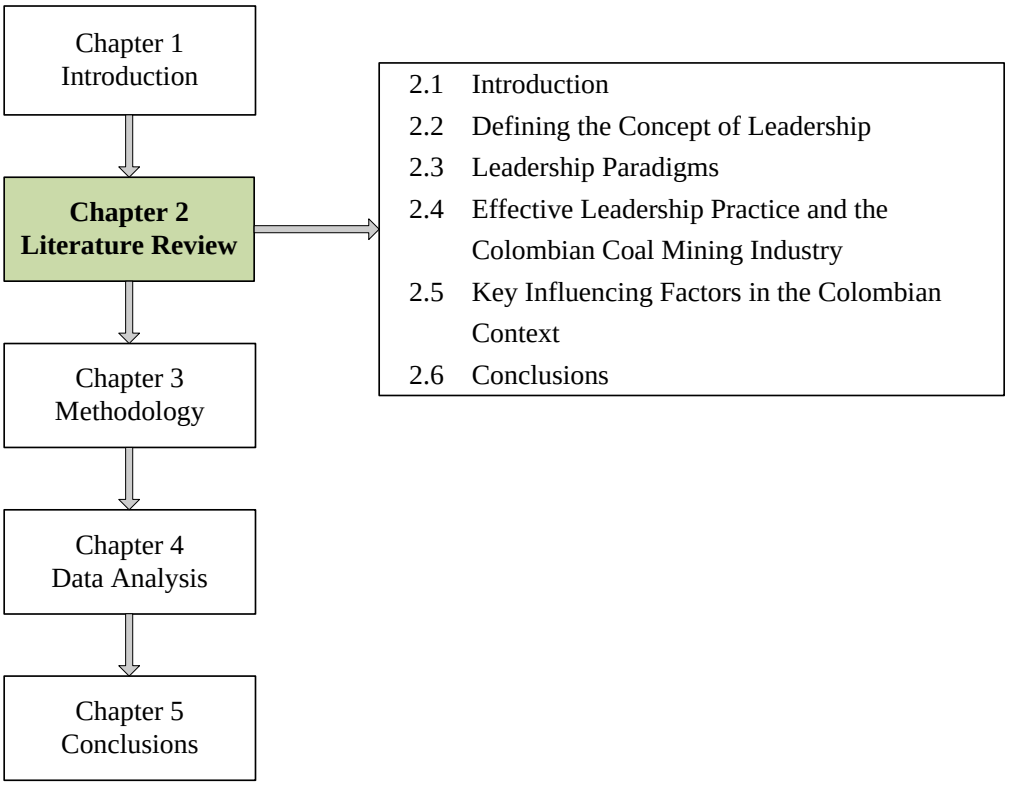
2. LITERATURE RESEARCH

2.1. Introduction

In the context of the research problem identified in chapter 1, this chapter will review the literature with the purpose of identifying contemporary theoretical developments in the field of leadership studies and provide a summary of the studies that inform this research project on the nature of effective leadership in the Columbian context. From these reviews, this chapter will then establish a set of research issues that are relevant to the research problem and that will provide a conceptual basis for exploring, understanding and explaining the research problem.

Chapter 2 comprises four main parts. First, a review of the literature covering both management and leadership is covered in order to define the concept of leadership (section 2.2). Second, various paradigms relating to leadership are identified and discussed (section 2.3). Third, relevant research on effective leadership practice relating to the Colombian coal mining industry is identified (Section 2.4). Fourth, a framework involving the possible main influencing factors on effective leadership practice in the Colombian coal mining industry is developed to inform the study of specific areas that need to be addressed (section 2.5).

Figure 2. 1 Outline of the Literature Review, with section numbers noted



2.2. Defining the Concept of Leadership

Although this study focuses on effective leadership practice in the Colombian context, it is important to start with the concept of management as it has dominated in the field of business education for the last 50 years. Both management and leadership are two terms that appear to be poorly understood and it is important to identify what they are and to distinguish their differences. The justification for the approach taken in this section is based on the overlap and ambiguity that exists between the concepts of management and leadership and, hence, there is a need to look at the different perspectives on management first and then the debate on management versus leadership.

Kotter (1996), for example, defines management as a set of processes that can keep a complicated system of people and technology running smoothly. He then defines leadership as a set of processes that creates organisations in the first place or adapts them to significantly changing circumstances. Hence, Kotter's distinction revolves around the organisation's need for stability and efficiency on the one hand and change and creativity on the other. Clemmer (2003) states that the terms 'management' and 'leadership' are often interchanged and, in fact, many people view them as basically the same thing. A point of contention in the literature arises from whether there is a difference between management and leadership with some authors proposing there are essential differences (Daft, 2002; 1999; Bennis & Thomas 2002; Kotter 2001; 1990, Conger & Benjamin 1999; Kakabadse & Kakabadse 1999; Bennis 1998; Bennis and Nanus 1997; Barker 1997; Parry 1996; Zaleznik 1990; 1977).

Other authors view leadership as an integral aspect of management (Yukl 1998; Carlopio, Andrewartha & Armstrong 1997; Wright 1996; Lewis 1996; Quinn, Faerman, Thompson & McGrath 1996; Mintzberg 1973). At the same time, most writers agree that leaders must be able to manage and managers must be able to lead. In order to better understand the differences between management and leadership it is first necessary to look at the various perspectives of management.

2.2.1. Different Perspectives on Management

Although the concept of management has been discussed and written about for centuries, management as a concept has gained in prominence with the growth of large industrial organisations from the 19th century onwards. In comparison to leadership,

management became a more dominant field of study in business courses since the 1970s and still holds a prominent place in undergraduate and postgraduate business programs.

Numerous attempts have been made to provide an informative definition of management (Mintzberg 1997; Shenhar & Renier 1996). Some of the contemporary and basic definitions include '…getting work done through others' (Williams, 2005 p. 4) and '…a set of activities directed at an organisation's resources (human, financial, physical and information) with the aim of achieving organisational goals efficiently and effectively' (Davidson et. al. 2004 p. 5). The latter definition is goal-oriented, while the former revolves around influence and indicates a strong association with the concept of leadership. In summary, the variation in orientation of various definitions highlights the current ambiguity in attempting to distinguish between management and leadership.

For this reason, it is important for this study to identify the prominent perspectives on management and how they relate to the concept of leadership. McKenna (1999) provided a useful framework for discussing the literature on management with three distinct perspectives: the classical viewpoint, the manager as a role player and the manager as an agenda setter.

2.2.2. The Classical Viewpoint

The classical view generally presents management in terms of a set of functions. The foundational writer in this regard was the French mining engineer Henri Fayol. In his book entitled *General and Industrial Administration* (Fayol, 1949) he concluded that the processes of management in any organisation, large or small, involved eight basic functions. These are:

1. Determining and deciding objectives
2. Forecasting
3. Planning
4. Organising
5. Directing
6. Co-ordinating
7. Controlling
8. Communicating

In current texts on management, these basic functions are frequently condensed into a shortened version, namely that of planning, organising, leading and controlling—

otherwise known by their acronym, POLC. Fayol (1917) argues that managerial work is different from that of the other activities which make up the processes of organisations.

From this classical perspective, management can be viewed as the performance of the manager and the range of outcomes related to that performance provides the best insights into management (Drucker 1973). Management also relates to the attainment of organisational goals in an effective and efficient manner through planning, organising, staffing, directing, and controlling organisational resources (Daft 1999). This is classical management theory and Fayol's definition has been accepted across a broad range of textbooks since its first enunciation in 1916.

According to Fayol (1917), the functions of management varied in relation to position in the managerial hierarchy and also in relation to the division of labour. Thus, some jobs may involve mainly forecasting or strategic management, whilst others may be primarily oriented to human resources and the managing of people. Nevertheless, Fayol argues that the basic functions of management that he defined were common and similar for all levels and types of management. However, this time-worn management approach does in practice create problems in terms of a contemporary understanding of the logic and nature of management which has moved away from a classical military command and control orientation to a style based more on facilitation and the support of collaborative activity. It has become increasingly difficult to view management conceptually as a set of discreet functional processes. The issue with this classical perspective is that organisations are viewed in mechanical terms and jobs are based on functions and not people (McKenna 1999).

2.2.3. The Manager as a Role Player

Another perspective is that of the manager as a role player fulfilling a number of roles such as those identified by Mintzberg (1996). Mintzberg's classification is useful because it provides a way of thinking about a manager's job that is different from the classical approach of defining management as a set of functions. He makes the manager the focus of attention rather than a set of functions is theory was based on a structured observation of chief executives at work and he found that the executives played three main roles. First, there is the interpersonal role in relation to the job. Second, the manager's role involves the receiving and disseminating of information. Third, there is

the decision-making role in relation to the job. There has been general support for Mintzberg's analysis (Martinko & Gardner 1990).

In his later writings, Mintzberg (1998) provides a more detailed model of what managers do that clearly indicates the manager's role. This model provides a distinction between the manager's actions both inside and outside of the management unit. That is, the three categories of managing information, managing through people and managing action, occur both inside and outside of the unit.

Prior to Mintzberg's work, Stewart (1967), in her research entitled *Managers and Their Jobs*, attempted to address the issue that attracted Mintzberg, namely the question of 'What do managers do?' Her research has been influential because, in many ways, it was the first detailed attempt to address this issue. The study consisted of a sample of 160 middle and senior managers across a range of British firms. All the managers were asked to keep a diary of how they spent their working day over a period of four weeks. This detailed diary enabled Rosemary Stewart to provide a picture of how the managers spent their time. As a result of her research study, Stewart (1967) suggested that there were five different types of managerial jobs. These were:

1. the 'emissaries'—those managers whose jobs were primarily focused on activities outside of the company; e.g. sales managers, public relation managers, etc.

2. the 'writers'—that is, those who spent most of their time on paper work and dealing with paper work, such as accountants, etc. (Note how dated this terminology has become; even within a period of twenty-five years the terminology has changed to refer to computing rather than making a reference to the traditional technology of pen and paper).

3. the 'discussers'—those managers who spent most of their time with colleagues and other people in relation to informal or formal discussions.

4. the 'trouble-shooters'—these managers had the most fragmented work patterns and were likely to deal with crises as they arose, often in an ad hoc manner. They tended to include maintenance engineers.

5. the ‘committee people’—most of these managers came from larger companies and were frequently involved in extensive committee work. For example, senior managers in universities tend to operate in this way.

The types of managerial work that were delineated by Stewart (1967) have not been universally accepted as several other researchers such as Mintzberg (1998) have also suggested different types of managerial work and different types of managers. Torrington and Weightman (1987) distinguish between managers’ activities in terms of a three-fold classification. Managerial work was defined as either technical, administrative or managerial. Technical work was defined as the type of work performed by managers because of their preceding professional experience or qualifications. This, of course, varied across the range of managers. Administrative work was defined as that concerned with routine procedures and the basic maintenance of organisational activity such as authorising and keeping records of leave arrangements. On the basis of their sample of middle managers, Torrington and Weightman (1987) argued that there were four types of managerial jobs. Firstly, the technical type of job, the second type of managerial job was the one which they called administrative, thirdly, there was the managerial-type of job and, finally, it was discovered during the course of the research that there were certain managers for whom the distinctions between work time and personal/leisure time were blurred.

When looking at these processes of management and the role of managers, questions can be raised about why managers do what they do, what makes them work in certain ways to achieve their desired outcomes, and what makes them embrace change and constantly seek improvement. Reality checks may be a key to answering these questions, that is, ‘remaining effective in the market place required managers to continually test the fidelity of their perceived reality of their environment’ (Sashittal & Jassawalla 1998, p. 538).

In summary, Mintzberg’s model of what managers do clearly indicates the manager's role. His model identifies three roles and distinguishes between the manager's actions both inside and outside of the management unit, namely:

1. Managing information.
2. Managing through people.
3. Managing action.

Somewhat in contrast, Stewart (1999) suggested that there are five different types of managerial jobs. These are:

1. The ‘emissaries’
2. The ‘writers’
3. The ‘discussers’
4. The ‘trouble-shooters’
5. The ‘committee people’.

Finally, Torrington and Weightman (1987) argued that there are four types of managerial jobs:

1. The technical type of job.
2. The administrative type of job.
3. The managerial-type of job.

Finally, it was discovered that there were certain managers for whom the distinctions between work time and personal/leisure time were blurred.

So whether it is Mintzberg distinguishing between manager’s actions, Stewart’s defined types of managerial jobs or Torrington and Weightman’s perspective of managerial jobs, the focus of this section has been on the manager as a role player and in attempting to recognize how and why managers carry out their roles. Interestingly, Mintzberg is the only one to identify leadership in terms of one of the roles that manager’s play and this is associated with the interpersonal role. The third perspective on management proposed by McKenna (1999) is managers are seen as agenda setters.

2.2.4. The Manager as an Agenda Setter

Kotter (1990) has claimed that most companies are over-managed and under-led. In effect, Kotter argues that the leader role, or leadership perspective, is missing from the classical viewpoint of management. McKenna (1999) states that by focusing on the functions of management, the classical viewpoint ignores the important roles of leading and linking which are highlighted in Mintzberg’s perspective. Thus, Kotter (1990) states that managing is coping with complexity. Companies do this by planning and budgeting, organising and staffing, controlling and problem solving (Kotter, 1990). McKenna (1999) also states that in presenting this viewpoint Kotter is, in effect, saying that in the modern organisation it is not a case of managers managing, but a case of

‘organisations doing management’ and that this reflects modernism’s belief in objectivity in analysis, and specialisation and control as the nature of reality.

Kotter (1990) presents leadership as agenda setting: setting a direction, or developing a vision of the future; aligning people with that vision; and motivating and inspiring those people. Strong networks of informal relationships are used to co-ordinate leadership activities (Kotter 1990). The dominance of the modernism perspective expressed through classical management thought has led to this perception that management does not include the mindsets, values relationships and activities that Kotter describes as leadership. Both Kotter and Mintzberg recognise the importance of the individual as manager (McKenna 1999).

Kotter’s (1990) work brings out the more subtle side of what managers do through agenda setting which is a central tenet of his distinction between leadership and management. Kotter highlights the importance of the person—the manager—by contrasting leadership with management and so it is in this next section that this association of management with leadership is explored in greater detail and the identification of the prominent perspectives on management and how they relate to the concept of leadership is further researched.

2.2.5. Leadership Verses Management

The purpose of this section is to review the literature from a range of authors and identify the distinctions, if any, between these two concepts. Zaleznik (1977), Kotter (1990, 2001), Conger (1992), Bennis (1998), Bennis & Nanus (1997), Daft (1999), Barker (1997) and Parry (1996) have all argued that management is distinct from leadership and that the managerial role has a different remit than that of leadership. Proponents of this view assign different functions and skills to leaders and managers, as summarized in Table 2.1.

Table 2.1: Leadership versus Management

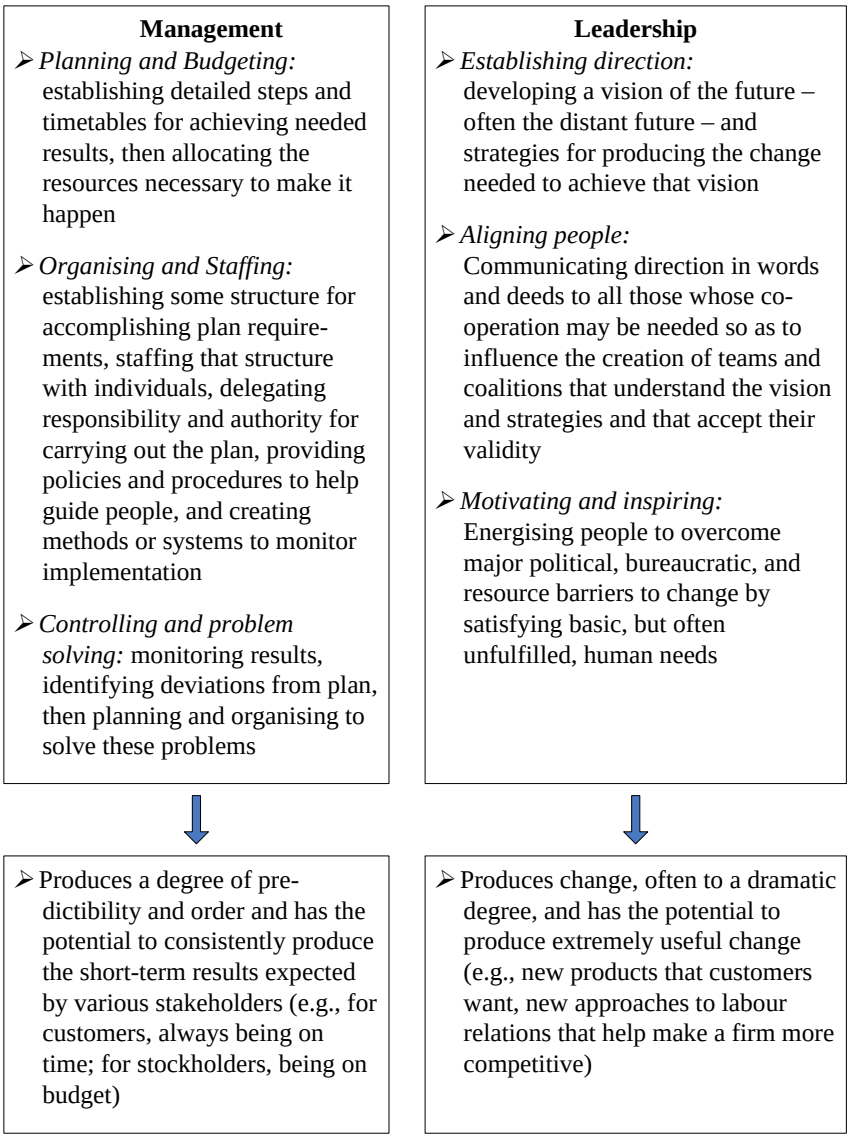
Leadership (Change focus)	**Management** (Stability focus)
Creating a vision for the future	Planning/budgeting
Establishing direction	Organizing/staffing
Aligning people	Controlling/problem solving
Motivating/inspiring	Produce order, predictability
Produce change	Deliver on time and within budget
Provide potential for the new	

Source: Zaleznik (1977, 1990); Kotter (1990, 2001); Conger (1992); Bennis (1998); Bennis & Nanus (1997), Daft,(2002); Barker (1997); Parry (1996) and adapted from Hunt (1996) for this study

In general, managers are charged with maintaining the stability of the organisation, while leaders are charged with adapting the organisation in response to change in the external environment (Bennis 1998; Conger 1992; Kotter 1990). Also, Kotter (1996) defines *management* as a set of processes that can keep a complicated system of people and technology running smoothly.

The most important aspects of a manager's work are viewed in terms of the functions of planning, budgeting, organizing, staffing, controlling, and problem solving. Leaders, on the other hand, define what the future should look like, align people with that vision, and inspire them to make it happen despite the obstacles (refer to Figure 2.1 below).

Figure 2.2 Management verses Leadership



Source: From *A Force for Change: How Leadership Differs from Management* by Kotter (1990).

Kotter (2001) also states that leadership and management are two distinctive and complementary systems of action with each having its own function and characteristic activities. Both are necessary for success in an increasingly complex and volatile business environment—strong leadership with weak management is no better, and is sometimes actually worse than the reverse. The real challenge is to combine strong leadership and strong management and use each to balance the other.

Clemmer (2003) states that the terms ‘management’ and ‘leadership’ are often interchanged. In fact, many people view them as basically the same thing, but Clemmer also states that management is as distinct from leadership as day is from night, and that

both are necessary for a high-performance organisation. By contrasting the terms and understanding their differences, it is possible to better balance and improve these essential roles. Clemmer also stated that one key distinction between management and leadership is that of managing *things* and leading *people*, where things include physical assets, processes, and systems, while people include customers, external partners, and people throughout the team or organisation (or 'internal partners'). When dealing with things, the focus is about a way of *doing*. In the people realm, the focus is about a way of *being*.

Managers may sometimes be leaders and leaders may sometimes be managers, but leadership and management are two different processes (Daft 1999). There are also the issues relating to the difference between leadership and management. It is obvious that a person can be a leader without being a manager (Yukl 2002) and some writers (e.g., Bennis & Nanus, 1985; Zaleznik, 1977) contend that leadership and management are qualitatively different and mutually exclusive. The most extreme distinction involves the assumption that management and leadership cannot occur in the same person, that is, some people are managers and others are leaders.

The work of these authors suggests that management is a series of roles that together provide an organisation with leadership and direction. Whilst the roles may vary from organisation to organisation, there is a common theme relating to opening boundaries between the organisation and the outside, social politicking and leadership. However, there remains a strong view that leaders and managers are different. Managers are seen to focus on internal daily production concerns: '*on getting things done'*. Leaders are seen to be concerned with providing meaning and purpose in work, and '*getting the right thing done'*. Leadership can be seen as seen as both an individual property and a process (McKenna 1990).

The most fundamental distinction is made by Zaleznik (1990; 1977) who proposed that there was an essential difference between the personalities of leaders and managers, borne out of their early life experiences. The experience of early deprivation was seen as causing some to desire to lead, as a kind of compensatory drive, while the experience of sufficiency caused others to have no such desire. Tasks that characterize the managerial function include dealing with complexity, planning, budgeting, structuring, delegating, monitoring, controlling, organizing, staffing, and problem solving (Kotter

2001; Bennis & Nanus 1997; Conger 1992). To the leaders they assign the tasks of creating and communicating a vision for the future, setting direction, creating and sustaining alignment, inspiring, mobilizing and motivating the workforce and building trust. In fact, for Bennis and Nanus (1997, p. 7) the crisis in leadership everywhere can be explained by the fact that ‘Leaders have failed to instill vision, meaning and trust in their followers. Leaders must do the right thing while managers must do the thing right.’

Bennis (1998, p. 45) is uncompromising in his insistence on the difference between leaders and managers. For him, ‘The manager administers; the leader innovates. The manager is a copy; the leader is an original. The manager maintains; the leader develops. The manager focuses on systems and structure; the leader focuses on people. The manager imitates; the leader originates.’ Bennis also stated that it is difficult not to see the heroic-leader, traits-theories as underpinning much of this view.

The distinction between leadership and management is challenged by Yukl (1998), Carlopio et al. (1997), Wright (1996), Lewis (1996) and Quinn et al. (1996). For these writers the role of the manager has evolved due to conditions of constant change, and the delayering of organisations that took place in the eighties and nineties. Yukl (1998) sees the distinction as purely arbitrary and serving no real purpose, particularly if there is a pejorative nuance in the use of the term 'manager'. Carlopio et al. (1997) suggest that the basis of the distinction, namely conditions of stability (management) as opposed to conditions of change (leadership), has all but disappeared given the constant turbulence and competitive environment in which most organisations find themselves. Contemporary managers must be able to lead in conditions that are constantly changing with expectations for performance continually escalating (Carlopio et al. 1997; Quinn et al. 1996). This view suggests that managers who are unable to lead are deficient in one of the functions of management and are, therefore, not very good managers (Lewis 1996). For Mintzberg (1973), leading was traditionally an activity that was integral to the managerial role. For most of these authors the terms 'management' and 'leadership' are interchangeable.

While it is acknowledged that there is some contention around the distinction between the concepts of management and leadership, for the purpose of this study leadership will be discussed as a concept in its own right without taking a particular position on these

arguments. The study will be directed by the mainstream definitions of leadership identified in the next section.

2.2.6. Defining Leadership

The purpose of this section is to define effective leadership practice in terms of the available literature. Leadership has been the subject of essays and debate for thousands of years, but it is only in the twentieth century that it has become a topic for sustained formal analysis by scholars and researchers. Many theories of leadership have been developed in the last 50 years. The increasing complexity and competition in the business environment have stimulated organisations to achieve ever higher performance outcomes. This has been one of the factors that has focussed more attention on leadership as a key lever for organisational improvement.

Like most other theories of human behaviour, however, ways of testing these theories and establishing their scientific credentials have remained elusive. The available literature tends to focus on leadership as a specialised role and an influencing process that is broader than one individual.

Yukl's (1998, p. 5) definition of leadership reflects the perspective of leadership as a process:

> *Leadership is a process whereby an individual member of a group influences others. Specifically he seeks to influence the interpretation of events, choice of objectives and strategies, the organisation of work activities, the motivation of people to achieve objectives, the maintenance of cooperative relationships, the development of skills and confidence and the enlistment of support and cooperation from other people outside the group.*

Yukl (2002) later defines *leadership* as the process of influencing others to understand and agree about what needs to be done and how it can be done effectively, and the process of facilitating individual and collective efforts to accomplish the shared objectives. Kotter (1996) defines *leadership* as a set of processes that creates organisations in the first place or adapts them to significantly changing circumstances. Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles (Kotter 1996). However, the leadership badge has to be earned by demonstrating the skills of inspiration, motivation

and moving organisations forward (Mintzberg 1997). Thus, leadership can be described as motivating individuals by utilising vision and strategy to engage them in taking action—'focusing on strategy and direction using vision to align and mobilize commitment to take action' (Thorne 1997, p. 170). This definition does not mean that all managers are leaders—Goleman (1998, p.92) asserts that 'some people who make reasonable managers do not go on to become good leaders'.

There are a number of alternative definitions of leadership. For example, Barker (1997) views the concept of leadership as one person in a specialized role influencing others in a group or organisational context, whereas Maister and McKenna (2002) state that this is the predominant model in corporate organisations. Daft (2002) offers a modification of the specialized role perspective by including the role of followers in citing a definition by Rost (1993, p. 102):

> *Leadership is an influence relationship among leaders and followers who intend real changes that reflect their shared purposes.*

Barker (1997) rejects conceptualizations of leadership that imply any feudal or industrial paradigms with one person at the pyramidical top attempting to get others to do his or her will by controlling or manipulating them. For Barker (1997), focusing on the individual leader has created a kind of mythology whereby leaders are expected to save organisations from failure and 'followers develop the social delusion that allows them to escape responsibility for their own actions and inactions' (Barker 1997, p. 347). Leadership, for Barker (1997, p. 349) is a relationship of equals:

> *…a dynamic social and political relationship that is based on a mutual development of purposes which may never be realized. The concept of leadership as a non-supervisory relationship is characterized by the words dynamic and mutual.*

Collier and Esteban (2000, p. 211), in understanding organisations as complex adaptive systems in contexts of turbulent change, reject 'static' notions of leadership and define it as:

> *…the systemic capability diffused throughout the organisation and nurtured by the members, of finding organisational direction, of generating and maintaining continual renewal by encouraging, harnessing and directing creative and*

> *innovative capabilities, while simultaneously holding in tension the processes of responsiveness to the environment on the one hand, and the maintenance of internal integrity of purpose on the other.*

Although the phenomenon of leadership has been around since antiquity (Bass 1990) the systematic social scientific study of leadership did not begin until the early 1930s. The resulting contributions have been cumulative, and a great deal is now known about leadership phenomena. However, some of the more important of these questions and some of the deficiencies in the present store of knowledge concerning leadership remain unanswered. For example, to this day, the dominant proportion of the more than 3,000 studies listed by Bass (1990) is primarily concerned with the relationship between leaders and their immediate followers, and largely ignores the kind of organisation and culture in which leaders function, the relationships between leaders and superiors, external constituencies, peers, and the kind of product or service provided by the leader's organisation. There are many forms of leadership—some leaders are analytical and quiet and others are more outgoing and demonstrative (Drucker 1973).

The result is that such theories can be assessed only in terms of the intuitive appeal of the explanations they offer, rather than by their ability to withstand repeated attempts to falsify predictions drawn from them following conventional norms of scientific testing (Blunt 1981; Popper 1959). Theories of leadership, which have fallen from favour, are therefore more likely to have been victims of changes in fashion in the broad field of management than of anything else. Prevailing Western functionalist views about leadership are closely bound up with questions of organisational culture (see, e.g., Bate 1990; Schein 1989); and it is sometimes asserted that the culture of an organisation can be moulded, changed or even replaced by top management (Meek 1992). Leaders, particularly transformational leaders, are seen as progenitors of positive culture and catalysts of constructive change: ‘the effective leader of the new age shapes and shares a vision which provides direction, focus, meaning and inspiration to the work of others’ (Blunt & Jones, 1997). In the West, leading from the front has become fashionable again, so that leaders are to be visible role models who convey in everything they do and say what they would expect from others (see, e.g., Kotter 1988; 1990).

This understanding of leadership needs to be developed and understood in terms of this specific culture with the popular notion of leadership, which depicts one individual

whose leadership is based on position and authority making the decisions that direct an organisation toward success. Traditional leadership models have often assumed effectiveness in the short term as a measure of success, remaining blind to the long-term implications. Today, there is a need for leadership to think far into the future as opposed to the traditional approach to leadership that has drawn on machine metaphors and machine-like assumptions (Rost 1997; Wheatley 1992). In this view, leadership is understanding what goes wrong in an organisation and finding a way to fix it. The leader is an individual working as a technician/manager, fixing the machine/organisation. Leadership is viewed as positional, individual, top-down, driven by power for the purpose of control. Yet, in the complex, dynamic world a different type of metaphor is required to help understand leadership. When looking at leadership paradigms, one possible definition is that a leadership paradigm is a shared mind set that represents a fundamental way of thinking about, perceiving, studying, researching, and understanding leadership.

When an organisation supports leaders throughout its structure, an executive can focus attention on shaping the resources, people, and results necessary to grow the business and meet key corporate goals. This should be the primary focus of an executive. This means translating the organisation's vision and mission into meaningful activity in ways that help people develop conviction for what they do and why they are performing their work. There is no one successful formula for effective leadership practice. Executives in some of the ‘leading-edge’ organisations meld representative and compensatory leadership skills, infuse their organisations with leadership opportunities and, hence, become real-life ‘stewards of institutional vitality’ (Kiechel 1992). They represent the best of the present (stewardship) while seeking continuous organisational change and renewal (institutional vitality).

Leading-edge organisations are unique and relatively few. Consider, for example, Fortune's annual rankings of America's ‘most admired’ companies. These rankings are based on eight specific attributes, according to Jacob (1995):

- Quality of management;
- Quality of products and services;
- Financial soundness;
- Ability to attract, develop, and retain talented people;

- Use of corporate assets;
- Value as a long-term investment;
- Innovativeness; and
- Community/environmental responsibility.

Not only are executives in leading-edge organisations capable of asking just the right business questions, but their inquiry processes also seem to be keenly focused on linkages between the firm's *'hardware'* variables (*strategy, structure, systems*) and *'software'* variables *(staff, style, shared values, and skills).*

Combined with these theories, organisations have been changing in terms of structure and organisation. As the environment becomes more competitive, more service oriented, and more ambiguous, older perspectives about leading organisations are less appropriate.

The attitude of 'business as usual' has led organisations to disaster in many situations (Wilson, et al. 1994). Instead, organisations today are faced with continuing changes in technology, environmental conditions, and internal processes that require flexibility, continuous learning, and utilization of all available resources. The entire workforce, from front-line employee to CEO, is being called upon more and more to provide ideas, make decisions, and respond to change. These changes require an equally drastic change in how the leadership of organisations is assessed, conducted, and learned.

In conclusion, Table 2.2 below summarises the various definitions outlined above with leadership as an individual role of influencing followers (Yukl 1998) at one end, and as an organismic adaptive capability (Collier & Esteban 2000) at the other.

Table 2.2: Various Definitions of Leadership

Author	Definition
Yukl (1998, p5)	Defines ***leadership*** as a process whereby an individual member of a group influences others. Specifically he seeks to influence the interpretation of events, choice of objectives and strategies, the organisation of work activities, the motivation of people to achieve objectives, the maintenance of cooperative relationships, the development of skills and confidence and the enlistment of support and cooperation from other people outside the group.
Yukl (2002, p7)	Defines ***leadership*** as the process of influencing others to understand and agree about what needs to be done and how it can be done effectively, and the process of facilitating individual and collective efforts to accomplish the shared objectives
Daft (2002)	***Leadership*** as mutual influence process between leaders and followers who seek change in accordance with shared purposes.
Kotter (1996)	Defines ***leadership*** is a set of processes that creates organisations in the first place or adapts them to significantly changing circumstances. Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles.
Rost (1993, p.102)	***Leadership*** is an influence relationship among leaders and followers who intend real changes that reflect their shared purposes.
Thorne (1997, p.170)	***Leadership*** can be described as motivating individuals by utilising vision and strategy to engage them in taking action - 'focusing on strategy and direction using vision to align and mobilize commitment to take action.'
Barker (1996)	***Leadership*** as a dynamic, mutual relationship effecting compromises between group members seeking to identify shared values and purpose, intending change and appointing varying group members to leader roles as appropriate.
Barker (1997, p.349)	***Leadership*** is a relationship of equals, a dynamic social and political relationship that is based on a mutual development of purposes which may never be realized. The concept of leadership as a non-supervisory relationship is characterized by the words dynamic and mutual.
Collier & Esteban (2000, p.211)	Defines ***leadership*** as the systemic capability, diffused throughout the organisation and nurtured by the members, of finding organisational direction, of generating and maintaining continual renewal by encouraging, harnessing and directing creative and innovative capabilities, while simultaneously holding in tension the processes of responsiveness to the environment on the one hand, and the maintenance of internal integrity of purpose on the other.

Source: produced for this study

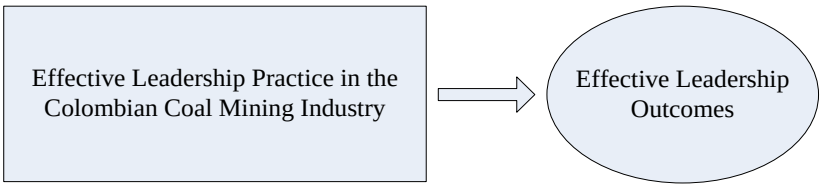
The purpose of this section has been to demonstrate, as Yukl point out that:

> *'a major controversy involves the issue of whether leadership should be viewed as a specialised role or as a shared influence process. One view is that all groups have role specialisation that includes a leadership role with some responsibilities and functions that cannot be shared too widely without jeopardising the effectiveness of the group…another way to view leadership is in terms of an influence process that occurs naturally within a social system and is diffused among the member'* (Yukl 2002, p. 3).

There is a diversity of definitions and all of these definitions are aligned with leadership (fundamental to this study) as a process and share a focus on group purpose and the conditions requiring constant adaptation to change. None of these definitions have been based on leadership of organisations in developing countries and this literature search looks at the available, but limited, amount of material of interest in regard to these developing countries, and specifically Colombia, in regard to leadership and effective leadership practice. This study will focus on the understanding that executives in the Colombian coal mining industry have of effective leadership practice and its impact on leadership outcomes in this environment.

The following figure represents the core of the model developed for this research regarding how executives in the Colombian coal mining industry relate to effective leadership practice.

Figure 2.3 The Core of the Effective Leadership Model



2.3. Leadership Paradigms

The purpose of this section is to provide a brief summary of the different leadership paradigms in terms of establishing insights into effective leadership practice. Lussier and Achua (2004) identified four major paradigms in leadership theory that will be used to frame the discussion in this section, namely:

1. The Trait Theory Paradigm
2. The Behavioural Leadership Theory Paradigm
3. The Contingency Leadership Theory Paradigm
4. The Integrative Leadership Theory Paradigm

2.3.1. The Trait Theory Paradigm

Trait theories attempt to explain distinctive characteristics or traits of individual leaders that account for their effectiveness. For example, a particularly important part of the leader's job is to set the psychological tone of the organisation by displaying and promoting desirable attitudes, values and beliefs which are the building blocks of organisational culture (Kets de Vries 1994). Clues to desirable organisational values can be found in corporate mission and vision statements in which frequent reference is made to the importance of such values as fairness, trust, openness, acceptance of and willingness to admit mistakes, commitment to the organisation, productivity, quality, customer service (see, e.g., Conger 1991; Zaleznik 1990).

The trait approach was one of the first systematic attempts to study leadership. The early work was referred to as the 'great man' theories, as the research relied mainly on observations of great military, political and social leaders in order to identify their innate qualities and characteristics that made them great (Northouse 2004). This work was generally based on the assumption that leaders were born, rather than made.

In 1948, Stogdill (1948) challenged these assertions by suggesting that no consistent set of traits differentiated leaders from non-leaders across a variety of situations and subsequent research efforts at isolating leadership traits resulted in inconclusive outcomes. For example, Geier (1967) reviewed 20 different studies and found that only five traits were common to four or more of the investigations. However, more recently there has been resurgence in interest in the trait approach (Bryman 1992).

This could be due, in part, to when researchers began organising traits around the 'Big Five' personality framework involving the dimensions of extraversion, agreeableness, conscientiousness, emotional stability and openness to experience (Robbins, Judge, Millett & Waters-Marsh 2008). It became clear was that most of the traits that emerged in various leadership reviews could be subsumed under one of these dimensions and

more recent studies have identified emotional intelligence as another trait that may indicate effective leadership.

Robbins, Judge, Millett and Waters-Marsh (2008) offer two conclusions about the trait approach. First, while twenty years ago the evidence suggested otherwise, traits can predict leadership based on the work around the Big Five personality framework. Second, traits do a better job at predicting the emergence of leaders and the appearance of leadership than in actually distinguishing between *effective* and *ineffective* leaders and this is supported by the work of Lord, DeVader and Alliger (1986) and Smith and Foti (1998).

2.3.2. The Behavioural Leadership Theory Paradigm

As opposed to Trait Theory, Behavioural Theory is based on theories that attempt to explain various distinctive styles used by effective leaders and not on inborn traits or capabilities. It assumes that leadership capability can be learned, rather than being inherent and that it is the actions of leaders and not mental qualities or the ability to manage internal states which determines effective leadership. According to this theory, people can learn to become leaders through teaching and observation. Muldoon (2004), with his work on behavioural theory, identifies the studies conducted at the University of Iowa in the late 1930s and 1940s that emphasised leaders' behaviours rather that inherited traits. Muldoon identifies that only one dimension of behaviour defines leader style (Lewin & Lippitt 1938; Lewin, Lippitt & White 1939; Lippitt 1940) and that a leader adopts either an autocratic, democratic or laissez-faire style and cannot readily swap styles. Muldoon also found, like the Iowa researchers, that those at Michigan University saw leader behaviours as uni-dimensional, so that a leader is either job-centred or employee-centred in style (Coch & French 1948; French 1950; Katz, Maccoby & Morse 1950; Katz, Maccoby, Gurin & Floor 1951; Mann & Dent 1954; Morse & Reimer 1956; French, Israel & As 1960).

In studying the leadership behavior paradigm House and Aditya (1997) found that the initial guiding assumption of the behavioral paradigm is that there are some universally effective leader behaviors. When looking at the relationship between the leader and followers they confirmed that situational leadership theories also served as contributing factors in the formulation of their findings, although not as profusely as trait and behavior approaches. Several authors (House & Aditya, 1997; Ilies, Judge, & Wagner,

2006) have also considered motivational leadership as an aspect of charismatic and transformational leadership and that leaders are made when individuals work toward developing a certain set of qualities and behaviors and consider the circumstances and followers at hand.

Muldoon (2004) states that this approach presented leaders as people who display a behavioural set that is repetitive in patterning and reproducible more or less at will, and that has certain effects on 'followers'. Leaders' behaviours are susceptible to empirical identification, cataloguing, and measurement. Testable models of leadership can be constructed. Once key behavioural factors and relationships are identified, leadership is amenable to learning. Leaders are made not born, at least in the sense of being capable of adopting mechanised behavioural routines, or styles, although for some time those styles were thought to be fixed patterns.

The research into leadership behaviour has made a number of contributions. First, the behavioural approach has served the important purpose of directing attention to identifying types of leadership behaviour critical to success. Second, the behavioural approach allows leadership practitioners to focus on concrete and specific examples of leadership behaviours. Third, an outgrowth of the behavioural approach has been the development of competency models and 360 degree feedback instruments. The 360 degree feedback instruments can be used to provide valuable training, coaching and succession planning programs (Hughes, Ginnett & Curphy, 2002).

Finally, the current status of behavioural theories can be summarised in the following quote: 'The behavioural theories have had modest success in identifying consistent relationships between leadership behaviour and group performance' (Robbins, Judge, Millett & Waters-Marsh 2008, p. 404).

2.3.3. The Contingency Leadership Theory Paradigm

There are many forms of contingency theory. In a general sense, contingency theory is a class of behavioural theory that contends that there is no one best way of organizing/leading and that an organisational/leadership style that is effective in some situations may not be successful in others (Fiedler 1967). In other words, the optimal organisation/leadership style is contingent upon various internal and external constraints. According to Fiedler (1967) there are four important ideas to contingency theory:

1. There is no universal or one best way to manage.
2. The design of an organisation and its subsystems must 'fit' with the environment.
3. Effective organisations not only have a proper 'fit' with the environment, but also between its subsystems.
4. The needs of an organisation are better satisfied when they are properly designed and the management style is appropriate both to the tasks undertaken and the nature of the work group.

In relation to a contingency theory of leadership, the success of the leader is a function of various contingencies in the form of subordinate, task, and/or group variables. The effectiveness of a given pattern of leader behaviour is contingent upon the demands imposed by the situation. These theories stress the use of different styles of leadership appropriate to the needs created by different organisational situations. There are a number of different contingency theories of leadership.

Fiedler's theory is the earliest and most extensively researched. Fiedler's approach departs from trait and behavioural models by asserting that group performance is contingent on the leader's psychological orientation and on three contextual variables: group atmosphere, task structure, and leader's power position. This theory explains that group performance is a result of interaction of two factors. These factors are known as leadership style and situational favourableness. In Fiedler's model, leadership effectiveness is the result of interaction between the style of the leader and the characteristics of the environment in which the leader works. Robbins et al (2008) stated that reviews of the major studies that tested the overall validity of the Fiedler model concluded that there is considerable evidence to support at least parts of the model. Robbins et al. (2008) also identified that, more recently, Fielder and an associate, Joe Garcia, reconceptualised the former's original theory and focused on the role of stress as a form of situational unfavourableness and on how a leader's intelligence and experience influence his or her reaction to stress and called this conceptualization *cognitive resource theory*.

Vroom and Yetton's (1973) *decision participation contingency theory* or the *normative decision theory* contends that the effectiveness of a decision procedure depends upon a number of aspects of the situation which include the importance of the decision quality and acceptance, the amount of relevant information possessed by the leader and

subordinates, the likelihood that subordinates will accept an autocratic decision or cooperate in trying to make a good decision if allowed to participate, and the amount of disagreement among subordinates with respect to their preferred alternatives. Their contribution focuses on the decision points in a contingency theory.

Straker (2008) stated that contingency theory is similar to situational theory in that there is an assumption of no simple one right way. The main difference is that situational theory tends to focus more on the behaviours that the leader should adopt, given situational factors (often about follower behaviour), whereas contingency theory takes a broader view that includes contingent factors about leader capability and other variables within the situation, and a number of those variables relate to strategy, structure, size, environment, technology, task and individual factors.

Hersey and Blanchard (2000) stated that their *situational theory* is an extension of Blake and Mouton's Managerial Grid Model and Reddin's 3-D management style theory. With this model came the expansion of the notion of relationship and task dimensions to leadership and adds a readiness dimension. They found that situational leadership is a contingency theory that focuses on followers and that successful leadership is achieved by selecting the right leadership style and that it is the followers who accept or reject the leader—and also that effectiveness depends on the actions of the followers and their ability and motivation.

Contingency theories have been an important development in leadership research mainly because they have emphasised the significance of various situational factors when it comes to identifying effective leadership practice.

2.3.4. The Integrative Leadership Theory Paradigm

The integrative leadership theory paradigm is based on theories that attempt to combine the trait, behavioural, and contingency theories to explain successful, influencing leader-follower relationships (Lussier & Achua 2004). For example, an understanding of leadership requires an understanding of relationships, interconnection, and context far greater than just the micro context of the group, which tended to be the focus for the various contingency theories. Leadership does not take place in a vacuum. It is part of a larger system which we must understand in order to understand leadership. The purpose of this section is to attempt to establish that within the context of the integrative

leadership theory paradigm, transformational leadership is the most appropriate basis for this study.

Hatala et al. (2005) defined integrative leadership as a holistic approach to leading oneself and others in a reflective, conscious, thoughtful and responsive way. The process of integration involves multiple perspectives (intrapersonal, interpersonal, organisational, cultural), four domains of intelligence (physical, mental, emotional and spiritual) and three levels of awareness (personality, individuality, universality) that will build, through the exercise of our power of choice, a foundation for personal, interpersonal and organisational success.

According to Bass and Stogdill (1990) the focus of both the great man theory and trait theory is on the individual, and while trait theory has been used to describe individual leaders as people who have specific characteristics that help or enable the person to be a good leader, the great man theory implies that people are somehow endowed with some 'essence' of leadership. Trait theory provides a base for measurable and testable characteristics such as virtues, race, gender, height, appearance, psychological factors, efficacy factors, cognitive factors, and emotional factors—to name but a few.

However, Hambrick (1989) stated that leadership may be provided by a collection of persons, for example, top management teams represent a group of people who complete all the tasks and processes of leadership but do so as a collective, rather than an individual. Carpenter (2002) identified that a collective of leaders increases the complexity of the leadership process compared to a single leader, the role of traits, as evidenced in research, and then becomes more important with teams than with individuals. According to Bass (1985), transformational leaders tend to be charismatic and motivate their followers by inspiring them, offering challenges, and encouraging individual development. Transformational leadership stresses achievement of higher collective purpose of common mission and vision. The second leadership style is transactional leadership. Transactional leaders stress specific benefits that their subordinates would receive by accomplishing agreed-upon tasks. A transactional leadership style involves negotiations between leaders and their subordinates, and exchange relationships between them. Research shows that different behaviors are involved in transformational and transactional leadership.

Transactional and transformational leadership styles are contrasted with laissez-faire leadership. Laissez-faire leaders abdicate their responsibility and avoid making decisions (Bass 1990b). Subordinates working under this kind of supervisor basically are left to their own devices to execute their job responsibilities.

House (1995) identified that there is a growing awareness of the need for a better understanding of the way leadership is enacted in various cultures and Bass (1997) argued that there is universality in the transactional–transformational leadership paradigm, and presented supporting evidence collected in organisations in business, education, the military, the government, and the independent sector, from several continents. Bass (1997) maintained that the same conception of phenomena and relationships can be observed in a wide range of organisations and cultures, and exceptions can be understood as a consequence of unusual attributes of the organisations or cultures.

Finally, Jung et al. (1995) speculated that transformational leadership is more effective in collectivist cultures than in individualist cultures because of the inherent respect for authority and obedience characteristics of collectivist cultures. Further, Jung et al. (1995) hypothesized that high uncertainty avoidance cultures may require more transaction-based leadership, while low uncertainly avoidance cultures will tolerate more innovative, transformational behavior (Jung et al. 1995).

2.3.5. Leadership Paradigms in Different Cultural Contexts

Successful multinational executive leaders seem to carry with them an understanding that one of the deepest hungers in human beings is the desire to be appreciated and to have a sense of personal worth and meaning. Employees can be led by executives towards achievement of designated results only so far, but they will drive themselves much further if they feel there is appreciation for their efforts. In these times of change and increasing opportunities, quite often accompanied by frustrations and tensions, the successful multinational corporation is one in which operating personnel and executives alike encounter appreciation and encouragement for what they are and what they can become. Darling (1999, pp. 609-321) quotes Johann Wolfgang von Goethe as once saying, '*If you treat a man as he ought to be, he will become what he ought to be'*. A performer tends to rise to the expectations of the audience. Unheard or unappreciated performances, in whatever arena of endeavour, are unlikely to be optimal. There is a

tendency for personnel within an organisation to try to become what colleagues give them reason to feel they should and can become. Executive leaders who strive to establish a setting, which is supportive of employees and their development, also help to instill within those individuals a loyalty that will serve to enhance the continued achievements of the organisation".

For example, Blunt and Merrick (1997) identified that in developing countries, of course, there is much greater awareness now than there used to be of the nature and pervasiveness of imperialism. As a result, in some countries there is mounting reluctance to conform to ideals 'born in the USA' concerning, for example, the nature of governance (UNDP, 1995; World Bank, 1992), particularly systems of political and social control, human rights and, to some extent, systems of macro-economic management, and the meaning of 'development' itself (Blunt 1995b). The legacies of nineteenth and twentieth-century European imperialism are visible in all parts of the globe, in every aspect of cultural, social and economic life and as the twentieth century draws to a close, the imperialist tradition is still alive, but is carried more by economic and political ideologies than by religious traditions (Isbister 2001).

The new wave of proselytisers consists, mostly, of technocrats and entrepreneurs rather than of theologians and administrators. But the effects on developing countries of certain elements of the 'new colonialism' can be said to be as damaging to economies, cultures and natural environments as were older, more obviously invasive, forms (Tully 1992). Since the 1950s, the body of theoretical and empirical studies of questions of organisation and culture in developing countries has grown considerably. These studies have confirmed the significance of national and organisational culture to explanations of organisational performance in such settings (Blunt et al. 1986; Nevis 1983).

Moreover, this proposition is unchallenged in the literature. There are a number of persuasive critiques, drawing on cultural arguments, which have been made of US theories of leadership, motivation and organisation (Hofstede 1980b); organisation development (Jaeger 1986); team-working (Sinclair 1992); and management theories in general (Hofstede 1993). An underlying theme of these papers is that modern thinking in the West about issues of management and organisation is ethnocentric. That is to say, it promotes a culturally determined and largely North American view of the world of work.

Blunt and Jones (1997) identify that most modern published notions of leadership have their origins in the West. Such notions have been propagated far and wide by the Western management education industry, so that any self-respecting MBA holder, say from Pakistan, Zimbabwe, Ecuador or elsewhere, will know broadly the same things about leadership and other aspects of human resource management (Blunt et al 1997).

In the current Western functionalist paradigm, transformational leaders pay particular attention to the building of trust, which ensures reliability and predictability of employee responses and reduces the need for supervision and control. They set also the organisation's direction and shape employee behaviour by outlining a vision that is sufficiently persuasive to inspire and energize others (Kotter 1990). This idea assumes that employees will take initiatives of their own once the broad goals have been set.

As can be seen from the above, there have been limited attempts to study and understand leadership models in other cultures and while traditional western models of leadership will not necessarily work effectively in the Colombian business environment, the basic concepts would appear to be applicable and we need to further understand the role of leadership processes in this situation and, specifically for the purpose of this study, how effective leadership practice is defined in the Colombian coal mining industry.

Northouse (2004) asserted that the basic premise of situational theory is that different situations demand different kinds of leadership. According to Northouse (2004) one of the current approaches to leadership that has been the focus of much research since the early 1980s is that transformational leadership is a process that changes and transforms individuals. It is concerned with emotions, values, ethics, standards, and long-term goals, and includes assessing followers' motives, satisfying their needs, and treating them as full human beings. Northouse also found that transformational leadership involves an exceptional form of influence that moves followers to accomplish more than what is usually expected of them.

These paradigms are basically western paradigms, therefore, it is necessary in the first instance to ask what Colombians and expatriates think in terms of effective leadership theory in this context. There are a number of issues perceived to influence effective leadership practice and they were identified as *the influence of the understanding of effective leadership practice*, and *the impact of key influencing factors*. This then leads

to the development of the first research issue in order to determine the level of understanding of effective leadership practice of these executives in the Colombian coal mining industry in Colombia.

Influence of the understanding of Effective Leadership Practice	RI 1: How do executives in the Colombian coal mining industry describe effective leadership practice?

This study seeks to determine the executives' understanding of these factors in the context of the Colombian coal mining industry and will look at both situation and individual factors. For this study, the factors have been grouped into categories as follows:

- key individual factors
- key situational factors
- the influence of strategic agendas
- the influence organisational change and innovation initiatives
- the influence business ethics and social responsibilities

2.4. Effective Leadership Practice and the Columbian Coal Mining Industry

While no studies could be found on effective leadership practice in Colombia in regard to the significant contextual factors for leadership practice, a review of the literature covering this topic in regard to other developing countries was conducted to search for similarities and to look at cultures which were significantly different from the traditional North American and European business cultures.

2.4.1. Leadership Practice in Developing Countries

The leadership literature is based on a limiting set of assumptions, mostly reflecting Western industrialized culture. Almost all of the prevailing theories of leadership, and about 98% of the empirical evidence at hand, are rather distinctly American in character: individualistic rather than collectivistic, stressing follower responsibilities rather than rights, assuming hedonism rather than commitment to duty or altruistic motivation, assuming centrality of work and democratic value orientation, and emphasizing assumptions of rationality rather than asceticism, religion, or superstition. Further, a number of important topics are largely ignored or only very recently addressed in the leadership literature. (House & Ram 1997)

Darling (1999) stated that leadership effectiveness of top executives is a multifaceted dimension and those executive leaders in multinational corporations influence their organisation's behaviour, while at the same time the people in their organisations, in turn, influence them. In essence, effective leadership by these men and women should be viewed as a reciprocal process—executive leaders and followers influencing one another. What makes these top executives truly successful is not intelligence, education, nationality, gender, race, lifestyle or background, rather, the principle factor which seems to determine their success is the executive's ability to deal with people effectively and meaningfully (Peters & Waterman 1982).

Darling (1999) states that a successful leader in the multinational business organisation is a person who inspires, by appropriate means, sufficient competence to influence a group of individuals to become willing followers in the achievement of organisational goals. The issue in relation to understanding leadership in the Colombian context is to understand how the concept of management and leadership is perceived in Colombia.

Dent (2004) states that when the 20th century began, Colombia was an agricultural, provincial, rural, and traditional nation. Industry began after 1925 with the production of cement and beer, and later steel. After 1950, Colombia began to undergo a rapid change in several dimensions: its population grew (by 1964 it was at 18 million, compared with 5 million in 1900), the percentage of population residing in urban areas increased dramatically, literacy increased, industry advanced, and society came to experience the characteristics of an advanced industrial society: large organisations, bureaucracy, rationality, secularism, modernism, and urbanism as modes of life. Colombia is a nation that is completing its transition from a traditional, agricultural, rural order to a modern, industrial, urban order.

Vaill (1996) conducted studies in Bogota, Colombia and found that, in some respects, Colombia resembles the complexity of advanced industrial societies. However, it is a nation where the past, the traditional mores and culture coexist with the culture in transition, and the modern, secular culture of the end of the 20th century with high rates of inflation, political instability, less reliable infrastructure, rapid urban population growth, and many destabilizing factors.

When looking at effective leadership practice and comparing the westernised concept to that of other cultures, Blunt and Merrick (1997) identified that in the Western

functionalist paradigm, leadership is legitimised largely on the basis of performance. It is dependent also on the level of support received from subordinates, hence, the current emphasis on teamwork, empowerment, employee satisfaction and morale.

In East Asia, on the other hand, leader legitimacy and acceptance often are contingent on non-utilitarian qualities of the leader. The position of leader is maintained by intra- and extra-organisational structural arrangements, in some cases with deep historical roots, not by follower recognition. As Whitley (1992, p. 113) notes:

> *The virtuocracies of Korea and China ruled because of their superior moral worth demonstrated by their mastery of the Confucian classics. This meant that they did not need to justify their status by performing some useful function on behalf of society as a whole, except perhaps maintaining "harmony"*

Leadership in East Asia is, therefore, much less likely to be withdrawn or diluted as a result of follower dissatisfaction, or through lack of technical competence. This is consistent with the higher levels of power distance which characterize most East Asian societies (Hofstede 1980a), with patrimonial family structures and such cultural features as filial piety. All of these factors contribute to the wide social distance separating leaders from followers. Goals, and means for their attainment, are decided by leaders and are carefully and humanely imposed. There is little involvement of followers and little expectation on their part that this will occur. The power and authority of the leader is accepted as right and proper. Hierarchy is viewed as the natural way to order social relations. There is 'conformity to the "natural" order of power relations' (Kirkbride et al. 1991, p. 368). Open challenges to the leader are improper and undesirable. The leader can expect therefore to receive obedience, deference and compliance. But in return she or he must accord followers respect and dignity (face), and show care and concern, although their extent will vary somewhat between cultures in East Asia. Whitley (1992), for example, distinguishes between what he calls a 'supportive, nurturing' type of authority in Japan and an 'omnipotent, sympathetic' one in Korea.

A major responsibility of the East Asian leader is the maintenance of harmony. This is achieved more easily where social and organisational relationships are well ordered and power is distributed unequally. Moreover, the maintenance of harmony, which has deep cultural roots in East Asian theologies and philosophies (such as Confucianism, Taoism and Buddhism), is the responsibility of all parties, and children are taught from an early

age to recognize its social significance. The Chinese, for example, perceive disturbances to group or interpersonal harmony as shameful and child-rearing practices make use of 'shaming techniques' to emphasize this point and the importance of group loyalty. Collectivism and 'shame' are important features of social control in China (Kirkbride et al. 1991).

Conformity is linked strongly to socially functional notions of interpersonal harmony and collectivism or group-centeredness (Kirkbride et al. 1991; Redding 1990). This is in clear contrast to the Western functionalist paradigm where emphasis is placed on autonomy, competition between individuals and groups, performance and self-assertion. Empirical evidence of this divergence is to be found in a study conducted by Smith et al. (1989) who observed that in Western cultures (Britain and the USA), which are characterised by individuality, much greater pressure to perform is placed on subordinates than is the case in Asian collectivist cultures, such as Japan and Hong Kong. East Asian notions of personhood or humanness depend strongly on one's capacity to take account of others in a humane way, with respect and consideration, and with a gentle touch.

Studies involving understanding African leadership practice identify that the African economic psychology is generally characterised by powerful connections between objects, humans and the supernatural. Although the emphasis put on each of these elements and the interrelationships among them can vary from one ethnic group or tribe to another, the quest for equilibrium with other human beings and with the supernatural is the guiding principle Self-reliance and self-interest tend to take a back seat to ethnicity and group loyalty (Dia 1994).

As with Asia and the West, it is unrealistic to suppose that much of what can be said about leadership will apply equally across the whole vast continent of Africa, even if confined to those nations generally referred to as 'south of the Sahara'. Given the cultural heterogeneity of many African countries, similar dangers exist in relation to individual nations (see, e.g., Adigun 1995). Nevertheless, as noted elsewhere (Blunt & Jones, 1992), amid this great diversity there are sufficient similarities for a tentative profile to be drawn.

In Africa, individual achievements frequently are much less valued than are interpersonal relations. The value of economic transactions lies as much, if not more, in

the ritual surrounding them and their capacity to reinforce group ties as it does in their worth to the parties involved. Wealth is, firstly, extended family or clan wealth and, second, ethnic or tribal wealth; often it can be acquired legitimately at the expense of the organisation (Dia 1994). In many circumstances, ceremony, ritual, interpersonal relations, reciprocity and the distribution of scant resources to clan and ethnic affiliates are, therefore, natural responsibilities of leadership in Africa (Kolawole 1996; Nzelibe 1986; Warren et al. 1996).

African societies tend to be egalitarian within age groups, but hierarchical or gerontocratic between age groups (Linquist & Adolph 1996). As a result, leaders often behave, and are expected to behave, paternalistically (Jones et al. 1995). Leaders bestow favour and expect and receive obeisance or deference. Consensus is highly valued and decision making within levels can, therefore, take a long time (see Cosway & Anankum 1996). Between levels (downwards) observance of hierarchy means that consensus can be achieved relatively quickly (Blunt 1978; 1983; Dia 1994).

African societies seem to have a great capacity also for tolerance and forgiveness. How else can we explain the attempts at reconciliation with former oppressors by African leaders like Jomo Kenyatta, Robert Mugabe and Nelson Mandela? (Mazrui 1994). Such tolerance, such acceptance of human frailty, however, runs counter to Western market philosophies which espouse the survival of the fittest. In the current paradigm, an important part of the leader's job is to get rid of poor performers.

The hard-faced managerial rubric now commonly employed, with its macho triumphalist tone, is revealing. Managerial success in initiating change is to be measured according to the scale of manpower cuts achieved: individuals who are judged to be underperforming are 'deadwood', to be 'rooted out' or 'cut out'; s are to be not just 'lean' but 'mean' (Matheson 1995).

In many African settings, considerable emphasis is placed on a leader's ability to honour his or her obligations to ethnic affiliates, without denying others to an extent which causes conflict to break out into the open (Nzelibe 1986). It is expected that the organisation will not pull together because of ethnic and/or family-based cleavages. Vision, in the Western sense described earlier, may therefore be out of place in many organisations in Africa. Debate concerning whether visionary or transformational

leadership is espoused more than practised in the West makes its applicability in Africa (and East Asia) more tenuous still.

Blunt et al. (1997) found that Africans preferred a leader who is kind, considerate and understanding, rather than one who is too dynamic and productive and, possibly, too demanding. They found that the foregoing suggested authorities rather than authoritarian leadership and this finding is consistent also with the idea of high power distance, which is a central feature of many African cultures. In a society where power is concentrated at the top, even executives will not be in positions where they can set the direction or pace of change.

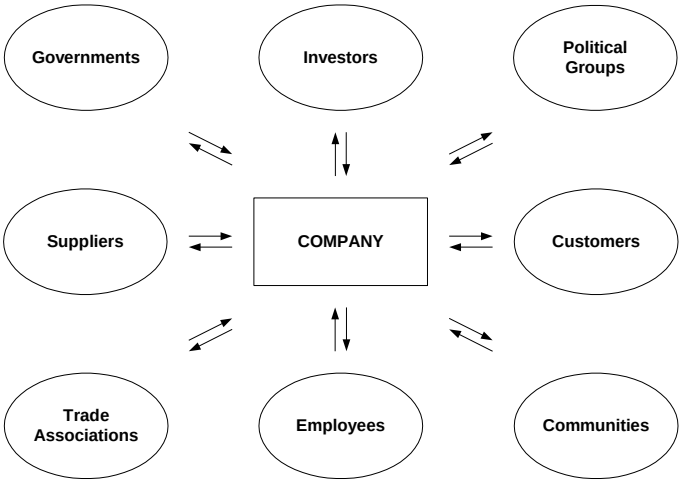
In the African environment the effective leader is perceived to consult subordinates, treat them considerately, promote their self-development, support and help them, and provide them with clear direction. In this view, good managers are people-oriented, rather than task-oriented.

Having briefly reviewed the literature regarding leadership cultures in a range of environments in different developing countries in order to identify that there are differences when compared to western business culture, it is the purpose of this research to seek to determine the level of understanding of what is perceived to constitute effective leadership practice specifically within the Colombian coal mining industry.

2.4.2. Factors Affecting Effective Leadership Practice in Colombia

There are many unique factors in Colombia which have a significant impact on effective leadership practice and these were identified in chapter 1. For the purposes of this study in considering a company in relation to its stakeholders (as shown in Figure 2.4), then in Colombia, as in many developing countries, there are many stresses and strains that need to be identified and understood relative to a company functioning in its country of origin. In Colombia the relationship with the *Government* will be very different. As will that with *Suppliers*, *Trade Associations* (unions aligned with left-wing subversive groups), *Employees* (cultural differences), *Communities* (culture, socio-economic, and political issues, and possible alignment with various subversive groups), *Political Groups* (government parties, paramilitary and guerrilla), *Customers and Investors.* The latter two, being from outside Colombia, will probably be the most predictable.

Figure 2.4 The Stakeholders Model



Source: Thomas Donaldson and Lee E. Preston, 'The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications', *Academy of Management Review,* 20 (1995)

Also, beyond economic and legal responsibilities lie ethical responsibilities, which are additional behaviours and activities that are not necessarily codified into law but nevertheless are expected of business by society. At the far end of this continuum are discretionary responsibilities that are not legally required or even demanded by ethics, but companies accept them in order to meet society's expectations (Carroll 1979).

Issues that should be identified by multi-national companies are those such as choosing to operate on an ethical level that is higher than what the local law requires, becoming involved in making contributions to civic and charitable organisations and non-profit institutions within Colombia, providing benefits for employees and improving the quality of life in the workplace beyond economic and legal requirements, and to consider taking advantage of an economic opportunity that is judged to be less profitable but more socially desirable than some alternatives if this dilemma should arise. Additionally, to consider using corporate resources to address major social problems, where possible, including issues such as local health and education.

Another issue is whether a company operating abroad should impose the same standards abroad as they do at home and how to operate successfully wholly within the political, cultural and ethical framework of their host country. The situation of '*when in Rome do as the Romans do'*, certainly cannot be followed without exception. The other side of this statement is equally valid, '*when in Rome or anywhere else, do as you would do at home'*.

Imposing the standards of a developed, first world country on the third world is criticized by some as a form of ethical imperialism (Berman 1973). Although there is some merit in this argument, it cannot be accepted without considerable qualification. A respect for the right of people to set their own standards does not automatically justify corporations inflicting grave harm on innocent people, for example, or violating basic human rights. In deciding whether to employ a practice that is regarded as wrong at home but is legal and apparently approved in a host country, a number of factors must be considered. It is suggested that we distinguish the minimal and maximal duties of corporations and come to some agreement about the former. A maximal duty or obligation is one whose fulfillment would be 'praiseworthy but not absolutely mandatory', whereas a minimal duty is one such that 'the persistent failure to observe it would deprive the corporation of its moral right to exist' (Donaldson 1989, pp. 62-63).

A quote from Raymond Vernon (Vernon 1974, pp. 287):

> *"The record shows that when U.S. enterprises operate in less developed countries, there is a very high probability that they will be charged from some quarters with various serious failings in terms of social responsibility"*

is as relevant today as ever in relation to the situation that foreign companies will sooner or later find themselves in, and certainly is not limited to US organisations. The requests of third world countries for help in improving living conditions and developing the local economy, although often expressed as demands for justice, are pleas for a kind of 'corporate philanthropy' that is, at best, a maximal duty and not a moral minimum (Donaldson 1989). Further impoverishing a people or violating a fundamental human right, however unintentional, is a failure to observe minimal obligations that apply to all organisations.

In summary, it is essential to identify and understand the factors affecting effective leadership practice in Colombia and to recognize, as in many developing countries, there are many stresses and strains that need to be identified and understood relative to a company functioning in its country of origin. In Colombia, the relationship with the government and other internal stakeholders, including political groups, will be very different. Issues that should be at least identified by multi-national companies are those involving operating on an ethical level that is higher than what the local law requires and using corporate resources to address major social problems where possible.

2.4.3. Leadership and Culture in Colombia

As identified above, the stakeholders are Colombian and the context involves a South American Latino culture, and here there is a need to research effective leadership practice in this environment and this need becomes more important as organisations whose management style is based on the 'western' model move into countries where the Latin culture is dominant. Therefore, in context of this study it is important to advance the understanding of how executives in the Colombian coal mining industry deal with effective leadership practice in this environment.

2.4.4. Leadership Cultures

Pilliet et al. (1999) address the issues of leadership cultures which, while they may be effective in one culture, do not necessarily transfer to another. One of the problems is that when a multinational company establishes itself in a new environment such as that of Colombia it usually falls into the trap of transferring its existing policies and procedures, as well as its business culture, from its home country directly to the new country. While it may attempt to make minor changes, people who have not experienced the new culture usually determine these changes. Hofstede (1995) provides a generally accepted foundation for understanding culture in cross-cultural research such as this. Hofstede (1995, p. 152) defines culture as the 'collective mental programming of the mind which distinguishes the members of one category of people from another'. Hofstede's taxonomy of cultural differences is:

- ***Individualism versus collectivism***—the degree to which individuals are integrated into groups;
- ***Power distance***—the extent to which the less powerful members of the society accept that power is distributed unequally;
- ***Masculinity verses femininity***—the distribution of roles between genders in society;
- ***Uncertainty avoidance***—the society's tolerance for uncertainty and ambiguity, and long-term verses short orientation.

Research carried out by Erwee and Perry (1999) confirmed that cross-cultural networks do not appear to develop through clearly defined, predictable stages. It also found that personal and business networks are important to both parties, but if these networks are not consciously linked or expanded jointly, very little basis for cross-cultural

understanding is built. Erwee and Perry (1999) also stated that the implications for managers in both countries are clear. They must be aware of cultural differences and try to understand them even though, or because, their perceptions of what is happening in the relationships in a particular period can be significantly different. However, they must not allow an understanding of national cultural differences to blind them in understanding the particular needs of individual persons and institutions.

Colombia is a country that, to many, seems to be too violent and chaotic to do business in. But there are companies that can see profit where others are too cautious to venture. For example, Rio Tinto—originally involved in coal mining in Colombia—decided that the country risk was too great and sold its assets to its partners, Anglocoal of South Africa and Glencore, and then exited the country only to be replaced in the consortium by BHP-Billiton.

An example of what can happen in Colombia is as follows (and such a scenario could include either guerrilla, paramilitary or common criminal groups). The owner of a printing firm in Colombia describes an encounter with a local paramilitary group:

> *They were dressed in suits and did not have the cut of common criminals. They began by apologising for the visit last week of two extortionists, who were operating on their territory. (They) assured me the problem had been taken care of, and for a small monthly consideration I would never be bothered again, or kidnapped while on their patch. I agreed, as the bodies of the two previous extortionists had turned up dead and mutilated. (The Economist 2000, p. 6)*

It is quite normal to be approached, while in a much less dramatic way, by politicians, public servants, or even business associates who will propose that in order to successfully carry out business you must pay a person or persons a retainer to facilitate ordinary day-to-day business dealings with politicians or government departments. Individuals and/or organisations will aggressively attempt to attach themselves to a company. Businesses, the government and the public of Colombia are becoming increasingly aware of the costs and impact of corruption on Colombian society (O'Brien 1999b). There is growing concern about the deterioration of public and private values in Colombia and the most visible manifestation of this is the problem of public sector corruption linked to political corruption.

While fraud and embezzlement are far more common than terrorism, a survey of 121 European and American firms in 2003 by Control Risks Group (CRG), a British based multinational security consultancy, found that two-fifths of these companies had recently held back from an otherwise attractive foreign investment because of the country's reputation for corruption. Western firms are tempting targets for local criminals who may feel it is less morally reprehensible to steal from foreigners, and besides the risks of robbery, there is the risk of embarrassment from (sometimes unwitting) association with less than savoury characters such as local drug lords or corrupt politicians. This is one of the most significant risks of doing business in emerging markets, but most firms have no training programme to prevent it.

In many poor countries, investors will be asked for bribes in return for a swift issue of necessary permits. Until recently, such expenses were tax-deductible for firms from many European countries. Now, however, an OECD anti-bribery convention has come into force for all rich countries These days, bribery can lead to bad publicity and even to prosecution at home, so firms increasingly refuse to grease the palms held out to them (U.S. Department of State 2001).

Even when senior managers are above reproach, locally hired middle managers may not be. Such reputable American banks as Citibank and American Express have discovered that they had local managers with links to mobsters. And, faced with American-style sales targets, the temptation to clinch deals through bribes may be irresistible (*The Economist* 2000).

Colombian management is also more vulnerable to these threats as they have family and community ties as pre-existing associations and connections; they cannot simply leave the country and fly away. So it is necessary to teach them how to refuse demands for bribes without getting hurt. Techniques include insisting that somebody else is responsible for the decision in question and never going alone to meetings with people who may demand bribes. Most important, firms should make sure that all accounts are scrupulously transparent and regularly independently audited.

An article by Kielmas (1996) identifies the complex issue of political risk and the risk of kidnapping and extortion to multinational companies and their expatriate employees by various entities within unstable countries around the world, including Colombia. Underlying all of this is the enormous problem of the Colombian drug trade that

permeates all levels of society, as well as the strife and violence of the extremist groups. These groups include the right-wing paramilitary and auto-defence groups, as well as the left-wing guerrilla groups who are all interwoven in the drug trade, which they protect as a major source of revenue. In several countries, guerrillas or armed criminal groups are more plentiful than western executives are accustomed.

2.4.5. Effective Leadership Norms in Colombia Culture

The challenges faced by executive leaders in the environment outlined above revolve around what can be judged as appropriate, acceptable, and effective within the norms of the Colombian culture in which they must function. There appears to have been very little research into this area and the following quotations, taken from Chen and Van Velsor (1996), support this assertion:

> *'...there is only a very limited knowledge base regarding leadership behaviours of non-traditional and non-Western leaders'* (p. 292).
>
> *'...it is important to explore and discover the various mechanisms through which diversity impacts organisational life'* (p. 295).
>
> *'Global leaders, like leaders of any diverse group, should be cultural integrators and facilitators'* (p. 297*).*

The above quotations are taken from the concluding article of a two-volume series on leadership and diversity published in the *Leadership Quarterly* 7 (1 & 2, 1996). These statements clearly illustrate the problems associated with, and the importance of, increasing available knowledge relevant to leadership of diverse subordinates. It is evident from these articles, as well as a growing number of other sources (Chemers, Oskamp & Costanzo 1995; Loden & Loeser 1991; Morrison 1992; Triandis, Dunnette & Hough 1994), that the issue of leading diverse individuals and groups requires substantial theoretical development and empirical research. At the present time, the literature on this issue is largely speculative and anecdotal.

House and Aditya (1997) state that organisational diversity can be objectively assessed by identification of the proportions of organisational members with different gender, ethnic, racial, religious, historical, and national backgrounds. The essential aspect of diversity is that it is associated with differences in dispositions and modal behaviour patterns of members from diverse groups. The differing dispositions take the form of

social identities, meanings imputed to events, social expectations, values, beliefs, assumptions, and motives. When there is commonality within groups with respect to these dispositions, group norms usually emerge. Group norms are assumed to have powerful directing, motivating, and controlling effects on group members and on their interaction with members of other groups.

Perhaps the beginning point for a research agenda on diversity leadership is to search for an understanding of how differing individual dispositions and group norms influence interactions and behaviour of individuals and groups in organisations. At the group level of analysis, one important consideration concerns the conditions under which highly diverse groups are able to work together, and possibly even achieve synergy. A second consideration concerns how dispositions and norms influence inter-group cooperation. A third consideration concerns how diverse individuals or groups that are unable to work together collaboratively might be managed to avoid conflict and enhance performance effectiveness. A fourth consideration concerns the management of geographically separated organisational units that operate in countries other than that of their parent company. For example, Yetton (Craig & Yetton 1995) has found that the appointment of Australian-educated Asians to manage divisions of Australian firms operating in Asia is highly effective. This approach is less costly, and the Australian-educated Asians are more likely to be culturally attuned than Australian executives, even if the Australian executives are provided cultural training in preparation for Asian assignments.

A fifth consideration concerns whether diversity does, indeed, have the potent effects commonly assumed. It may be that there are a set of organisational imperatives, which take precedence over the management of diversity, and that when these imperatives are met the effects of diversity are dampened, or even completely muted. For example, Anderson (1983) found ethnic diversity made little difference in the kinds of leader behaviours practised and accepted in an organisation with members from Caucasian and various Polynesian ethnic backgrounds. This finding is especially surprising, since several of the Polynesian groups were historically antagonistic toward each other.

Anderson (1983) speculates that when work is well managed and coordinated, and when employees understand their role demands and task requirements, the effect of diversity is muted. If Anderson's speculation proves to be generalisable, then the current concern

with diversity leadership may reflect an exaggerated view of the problems associated with diversity. While diverse groups may well have different preferences that need to be considered, and equal opportunity needs to be assured for minorities, the expectation that diversity will inevitably result in intra-group conflict, the imposition of extremely difficult role demands on managers, or problems that are unusually difficult to solve, may be exaggerated. It is possible that the dysfunctional effects of diversity will be substantially less when diverse members of organisations have a positive relationship with their organisation, when rewards are equitably distributed to members of all diverse groups, when the organisational culture is generally supportive and adequately employee-oriented, and when the work is well organized and roles are clear. Little is known about the potential dampening effect resulting from management practices suggested by Anderson. This possibility deserves empirical investigation.

Chen and Velsor (1996, p. 290) note that '*...the more relations are diverse between the leader and followers, and among members, the more the researcher needs to go into the dyadic dynamics in order to capture what is really going on'.* At the dyadic level of analysis, LMX Theory and the 1971 version of Path-Goal Theory appear to be applicable. The problem with applying these theories is that, as they are currently stated, they reflect Western values and assumptions, such as individualism, and emphasis on rationality rather than on tradition, spirituality, or superstition.

Differing expectations of diverse group members will also limit the applicability of the 1971 version of Path-Goal Theory. The leader behaviours specified by this theory, and indeed by most prevailing theories of leadership, reflect a highly individualistic orientation and may be unacceptable and inappropriate in collective societies. Paternalistic leader behaviours, and behaviours directed toward group harmony, conflict avoidance, face saving, and group maintenance are likely to be more effective in collectivistic societies, and to be less effective, or even dysfunctional, in individualistic societies (House, Wright & Aditya 1997). The 1996 version of Path-Goal theory is a theory of work unit effectiveness, and may be more applicable in collectivist societies than the 1971 version, which is a dyadic theory of the effects of leader behaviour on individuals. Empirical research is required to determine the validity of the 1996 version of Path-Goal Theory.

2.4.6. Cross Cultural Leadership

Similar problems with the application of most extant leadership theories are likely to arise from differences in dispositions and norms across cultures. More specifically, diverse cultures have varying norms and varying reactions with respect to a wide range of management and leadership practices, such as degree of assertiveness and aggressiveness of leaders, use of extrinsic or intrinsic incentives, task or achievement orientation, short- versus long-term orientation, and leader consideration. Substantial evidence shows that cultures vary on the value they assign to the above leader behaviours, and that individuals from different cultures have different reactions to these leadership and management practices (House et al. 1997). Yet, to date, there are no empirically supported theories that adequately consider cultural differences of organisational members.

A Theory of Cross Cultural Leadership. House et al. (1997) have advanced a theory of cross-cultural leadership. This theory asserts that expected, accepted, and effective leader behaviour varies by cultures. According to the theory, the importance placed on, and effectiveness of person- and task-oriented leader behaviours are contingent on the culturally endorsed implicit theories of leadership (CILTs) of the broader social system. Person- and task-oriented leader behaviours that are congruent with CILTs will be more effective than behaviours that are incongruent. However, it is argued that some leader behaviours that are incongruent with CILTs will also be effective. These behaviours are those concerned with the introduction and implementation of major changes in the culture or in the organisations within the culture. More specifically, the behaviours described by the neo-charismatic leadership paradigm are expected to be effective in bringing about constructive change, regardless of whether they are congruent or incongruent with the norms of the broader culture.

The theory specifies the process by which cultures influence the kinds of leader behaviours that will be accepted, effective, and enacted in specific cultures. The theory also specifies a number of interactions between cultural norms, organisational practices, leader behaviours and leader acceptance, effectiveness, and enactment. The theory remains to be tested. For a more detailed discussion of the theory, the reader is referred to the chapter by House et al. (1997).

The importance of CILTs. Implicit Leadership Theory (Lord & Maher 1991), reviewed above, can be extended to the cross-cultural rather than the dyadic context. As suggested by Lord and Maher (1991) and Ayman (1993), implicit leadership theory is especially useful for the cross-cultural study of leadership. If cultural values and norms influence commonly held implicit theories of leadership, then one would expect these theories to vary by culture. A knowledge of CILTs would provide information about what is expected of leaders, and about the influence granted to leaders. More specifically, CILTs indicate the extent to which individuals in positions of leadership are expected to be change-oriented, risk-oriented, visionary, directive, and proactive, as opposed to being reactive, nondirective, risk-averse enactors of prevailing social consensus, and maintainers of the status quo. Knowledge of such differential expectations of leaders will contribute to prevailing leadership theory and will provide the basis for future behavioural survey and experimental research on the effects of adhering to or violating cultural expectations by leaders.

Knowledge of culture-specific and universal aspects of CILTs will help to better understand the scope of cultural influences on leadership and leader-related variables: the extent to which there are universal cultural forces, the extent to which such forces permeate management practices, and the extent to which the cultural syndromes resulting from cultural forces vary across cultures. Thus, knowledge of culture-specific and universal culture syndromes will be useful in understanding the very nature of culture, which is, as yet, theoretically not well defined.

Knowledge of CILTs will facilitate cross-cultural communication and be useful for improving relationships between members of different cultures. This knowledge could also be used for management selection and for the content of management training programs for managers assigned to work in cultures other than their own. As argued by House et al. (1997), it is likely that there are both some leader behaviours that are universally accepted and effective, and some for which acceptance and effectiveness is culture-specific; but little is known about such behaviours and their cultural-specificity or universality at present.

Further research on cross-cultural leadership and leadership practice is needed and will become more important as organisations whose management style is based on the ‘western’ model move into ‘foreign’ countries such as the Americas and specifically

Colombia where the Latin culture is dominant. Therefore, in relation to this study it is important to advance the understanding of how executives in the Colombian coal mining industry deal with effective leadership practice. There are a number of issues perceived to influence effective leadership practice and they were identified as *the influence of strategic agendas*, *the influence of change and innovation* and, finally, *the influence of ethics and social responsibility*. This then leads to the development of the following research issues in order to determine the level of influence that the understanding of effective leadership practice in the Colombian coal mining industry has had on these executives in Colombia.

2.5. Key Influencing Factors in the Columbian Context

In order to better understand the key influencing factors, it is important to also understand effective leadership within different national contexts, however, it appears that little research has been carried out on leadership characteristics that exist and are most effective in Colombia. To better understand this, an understanding is required of the relationship between culture and leadership and identifying the implications of this relationship for Colombian and western executives in the Colombian coal mining industry.

Earlier in this chapter various leadership paradigms have been identified and discussed, such as the trait theory paradigm, the behavioural theory paradigm, contingency theory paradigm and the integrative theory paradigm. Subsequently, there is a need to understand the impact and significance of those key factors that influence executives in this environment.

Based on the literature, this section of the study seeks to identify those factors that are likely to influence effective leadership practice in the Colombian coal mining industry.

2.5.1. Key Individual Factors

Trait theories focused on the attributes of leaders themselves. Other theories such as transformational and charismatic also highlighted the significance of individual traits, as well as style. Greenhalgh (2006 p.2) identifies that transformational leadership reflects 'leadership with the capacity to direct others to undertake new tasks, as opposed to transactional leadership, which we tend to associate with top-down hierarchies. Transformational leadership is more of a pull; transactional leadership is more of a push.' Transformational leadership sees added value in the manager being inspirational, rather than just supervisory.

Bass (1985) identifies that transformational leaders motivate their followers by inspiring them, offering challenges, and encouraging individual development and that transformational leadership stresses achievement of higher collective purpose, of common mission and vision. Bass (1985) also identifies transactional leadership where transactional leaders stress specific benefits that their subordinates would receive by accomplishing agreed-upon tasks. A transactional leadership style involves negotiations between leaders and their subordinates, and exchange relationships between them. Also identified was that different behaviors are involved in transformational and transactional leadership, hence, in terms of factors influencing effective leadership practice in the Columbian context, it seems pertinent to see if various individual factors are seen as important, hence, the second research issue.

While trait theories focused on the attributes of leaders themselves, other theories such as transformational and charismatic theories also highlighted the significance of individual traits, as well as styles, and it is important to determine that individual factors are significant and, hence, it is logical to investigate these in the Columbian context. Whether looking at subordinates left to their own devices (Bass 1990b); or whether in the case of of House (1995) who identifies the need to better understand the way leadership is enacted in various cultures; and Jung et al (1995) who speculated that transformational leadership is more effective in collectivist cultures than in individualistic cultures and hypothisised that high uncertainty avoidance cultures may require more transaction-based leadership while low uncertainly avoidance cultures will tolerate more innovative, transformational behaviour; this second research issue has,

therefore, been developed to attempt to determine the level of understanding shown by the interviewees of those key individual factors that are perceived to promote or inhibit effective leadership practice in the Colombian coal mining industry.

Influence of Individual Factors

RI 2: What are the key individual factors that are perceived by executives to promote and inhibit effective leadership practice in the Colombian coal mining industry?

2.5.2. Key Situational Factors

A third research issue is identified from the extensive literature that focuses on contingency and situational factors with mixed results and is attempting build a case for the need to understand this issue in the Colombian context and to determine the level of that understanding shown by the interviewees of the key situational factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry.

Fiedler (1967) identified that the optimal organisation/leadership style is contingent upon various internal and external constraints. The effectiveness of a given pattern of leader behaviour is contingent upon the demands imposed by the situation. These theories stress the use of different styles of leadership appropriate to the needs created by different organisational situations. Fiedler's approach departs from trait and behavioural models by asserting that group performance is contingent on the leader's psychological orientation and on three contextual variables: group atmosphere, task structure, and leader's power position. This theory explains that group performance is a result of interaction of two factors. These factors are known as leadership style and situational favourableness. Robbins et al. (2008) identified that, more recently, Fielder and an associate, Joe Garcia, reconceptualised the former's original theory and focused on the role of stress as a form of situational unfavourableness and on how a leader's intelligence and experience influence his or her reaction to stress—and called this conceptualization *cognitive resource theory*.

Vroom and Yetton (1973) found that the effectiveness of a decision procedure depends upon a number of aspects of the situation which includes the importance of the decision quality and acceptance, the amount of relevant information possessed by the leader and subordinates, the likelihood that subordinates will accept an autocratic decision or

cooperate in trying to make a good decision if allowed to participate, and the amount of disagreement among subordinates with respect to their preferred alternatives. Their contribution is focusing on the decision points in a contingency theory. Straker (2008), meanwhile, stated that contingency theory is similar to situational theory in that there is an assumption of no simple one right way. The main difference is that situational theory tends to focus more on the behaviours that the leader should adopt, given situational factors (often about follower behaviour), whereas contingency theory takes a broader view that includes contingent factors about leader capability and other variables within the situation and a number of those variables relate to strategy, structure, size, environment, technology, task and individual factors.

Hersey & Blanchard (2000) stated that their *situational theory* is an extension of Blake and Mouton's Managerial Grid Model and Reddin's 3-D management style theory. With this model came the expansion of the notion of relationship and task dimensions to leadership, and adds a readiness dimension. They found that situational leadership is a contingency theory that focuses on followers and that successful leadership is achieved by selecting the right leadership style and that is the followers who accept or reject the leader and also that effectiveness depends on the actions of the followers and their ability and motivation.

Contingency theories have been an important development in leadership research, mainly because they have emphasised the significance of various situational factors when it comes to identifying effective leadership practice. Robbins (2003) identifies that one way contingency theories differ from behavioral theories is that they include situational factors. More importantly, contingency theories isolate the key situational variables.

There have been limited attempts to study and understand leadership models in other cultures, and while traditional western models of leadership will not necessarily work effectively in the Colombian business environment, the basic concepts would appear to be applicable and we need to further understand the role of leadership processes in this situation and, specifically for the purpose of this study, how effective leadership practice is defined in the Colombian coal mining industry. Northouse (2004) asserted that the basic premise of situational theory is that different situations demand different kinds of leadership. Vaill (1996) conducted studies in Bogota and Colombia and found

that, in some respects, Colombia resembles the complexity of advanced industrial societies. However, it is a nation where the past, the traditional mores and culture coexist with the culture in transition, and the modern, secular culture of the end of the 20th century with high rates of inflation, political instability, less reliable infrastructure, rapid urban population growth, and many destabilizing factors.

Having reviewed the literature regarding leadership cultures in a range of environments in different developing countries in order to identify that there are differences when compared to western business culture, this third research issue has, therefore, been developed to attempt to determine the level of understanding shown by the interviewees of those key situational factors that are perceived to promote or inhibit effective leadership practice in the Colombian coal mining industry.

Influence of Situational Factors	RI 3: What are the key situational factors that are perceived by executives to promote and inhibit effective leadership practice in the Colombian coal mining industry?

2.5.3. The Influence of Strategic Agendas

Leadership is the process through which leaders influence the attitudes, behaviours, and values of others (Vecchio 1995). Strategic leadership is the leader's ability to anticipate, envision, maintain flexibility, and empower others to create strategic change as necessary (Byrd 1987). Strategic change is that which occurs in the firm's existing strategy due to a stimulus caused by triggering events (Wheelen & Hunger 1998).

Kimberly (2000) states that while at one time the question of whether leadership mattered was hotly debated (Lombardo & McCall 1978; Meindl, Ehrlich, & Dukerich 1985; Pfeffer 1977), current conventional wisdom suggests that, in aggregate, strategic leadership does indeed matter (e.g., Cannella & Monroe 1997; Day & Lord 1988; Finkelstein & Hambrick 1996; Thomas 1988). Hambrick (1989) cogently remarked on whether strategic leaders matter, ‘some do, some don't, and a lot more could’ (p. 6). Thus, consistent with Hunt (1991), it seems the real question is not whether strategic leadership matters but, rather, under what conditions, where, how, and on what criteria.

Strategic leadership is multifunctional, involves managing through others, and helps organisations cope with change that seems to be increasing exponentially in today's globalised environment (Huey 1994). It requires the ability to accommodate and integrate both external and internal conditions, and to manage and engage in complex information processing. Firms use the strategic management process successfully through effective strategic leadership (Hitt & Keats 1992). Hitt, Ireland, and Hoskisson (1995) developed a strategic leadership model which included six critical components:

1. Determining strategic direction;
2. Exploiting and maintaining core competencies;
3. Developing human capital;
4. Sustaining an effective corporate culture;
5. Emphasizing ethical practices; and
6. Establishing strategic controls.

Determining strategic direction of the organisation refers to developing a long-term vision (Hunt 1991). Strategic intent means leveraging the firm's internal resources, capabilities and core competencies to accomplish what may, at first, appear to be unattainable goals in the competitive environment. It gives employees the only goal worthy of personal effort and commitment—to become the best or remain the best in the world (Hamel & Prahalad 1989). Strategic intent exists when all employees of a firm are committed to pursue a specific performance criterion, believe fervently in their product and industry, and focus totally on doing what they do better than competitors (Hamel & Prahalad 1989). A long-term vision of the organisation's strategic intent usually requires a view at least five to 10 years in the future. This would include the organisational strategy, design and subsystems, planning, and the information and control systems (Hunt 1991).

Exploiting and maintaining core competencies involves sharing resources across units. In general, the most effective core competencies are based on intangible resources, which are less visible to competitors because they relate to employees' knowledge or skills. Effective strategic leaders promote the sharing of intangible resources across business units in their firms (Hitt & Keats 1992 Core competencies are the resources and capabilities that serve as a firm's source of competitive advantage. Typically, core competencies relate to the functional skills of an organisation, such as manufacturing, finance, marketing, and research and development. Core competencies allow

organisations to produce and deliver products that have unique benefits and value for customers (Hamel & Prahalad 1993). As strategic leaders, corporate managers make decisions intended to help their firm develop, maintain, strengthen, leverage, and exploit core competencies.

Human capital refers to the knowledge and skills of the organisation's workforce—employees as a capital resource (Hitt, Ireland & Hoskisson 1995). Much of the development of American industry can be attributed to human capital. One-third of the growth in the US gross national product (GNP) from 1948 to 1982 was attributed to increases in the education level of the workforce. Fifty percent resulted from technical innovations and knowledge that also depend on education. Only fifteen percent of GNP growth during that time was attributed to capital investment (Nassbaum 1998). In the view of many top-level executives, employees are the key source of the firm's competitive advantage (Chilton 1994). A good approach to developing human capital is through training and development programs. Management development programs can help build skills and facilitate communication among employees by providing a common language, building employee networks, and constructing a common vision of the firm. Because development programs socialize and help inculcate a common set of core values, they promote cohesion among the employees. Furthermore, they should help employees improve skills critical to the firm's primary operations, core competencies and customers (Kerr & Jackofsky 1989).

Corporate culture refers to the core values shared by all or most employees. It consists of a complex set of shared ideologies, symbols, and values that influence the way the firm conducts its business. Corporate culture is the social energy that drives or fails the organisation (Barney 1986).

Strategic leaders must develop and nurture an appropriate culture, one that promotes focused-learning and human development, the sharing of skills and resources among units in the firm, and the entrepreneurial spirit important for innovation and competitiveness. An appropriate corporate culture can encourage an entrepreneurial spirit, foster and facilitate a long-term vision, and create an emphasis on strategic actions linked with the production of high-quality goods and services. Corporate culture helps regulate and control employee behaviour (Lei, Hitt & Bettis 1990). Changing culture is more difficult than sustaining it. But effective strategic leadership involves

recognizing the need to change the culture and implement the changes. Restructuring may provide an appropriate time to effect a change.

Effective strategic leaders emphasize *ethical practices* within their organisations, and seek to infuse them through organisational culture. The ethics that guide the individual actions are based on principles formed by long-term influences that extend beyond the organisation. However, organisations can shape and control employees' and managers' behaviour through formalized rules, economic rewards and sanctions, and the values and norms that represent corporate culture (Sinclair 1993).

Strategic control refers to the corporate leaders' understanding of the strategies being implemented within the various business units. Strategic control focuses on the content of strategic actions in order to achieve appropriate outcomes. Strategic control encourages lower-level managers to make decisions that incorporate moderate and acceptable levels of risk. In fact, most corporate restructuring actions are designed to refocus the firm on its core businesses, thereby allowing top executives to re-establish control over their separate business units (Hoskisson & Johnson 1992).

The effective development and use of *strategic agendas* by corporate leaders enables their company to gain competitive advantage in their respective markets. A clearly defined strategic agenda enables the sharing of skills and resources within the company and provides the entrepreneurial spirit important for innovation and competitiveness. The appropriate strategic agenda can help regulate and control employee behaviour, while strategic controls can be used to promote the sharing of both tangible and intangible resources among independent businesses within a corporate portfolio. In addition, the autonomy provided by strategic control allows the flexibility and innovation necessary to take advantage of specific market opportunities. As a result, strategic leadership promotes the simultaneous use of strategic controls and autonomy (Hitt & Keats 1992).

The fourth research question seeks to determine the level of understanding of executives on the issue of strategic agendas in the context of strategic leadership and the impact on effective leadership in relation to executives in the Colombian coal mining industry. It can be argued that there are broader issues not contained within the contingency framework (e.g., strategic agendas, politics, etc.), hence, the need to see what broader contextual factors exist and to determine the interviewee’s understanding of how these

strategic agendas have influenced executives in the Colombian coal mining industry in terms of effective leadership practice. This fourth research question is therefore listed as follows:

Influence of Strategic Agendas	RI 4: How have strategic agendas influenced effective leadership practice for executives in the Colombian coal mining industry?

2.5.4. Organisational Change and Innovation

Executives in some of the 'leading-edge' organisations meld representative and compensatory leadership skills, infuse their organisations with leadership opportunities, and hence become real-life 'stewards of institutional vitality' (Kiechel 1992). They represent the best of the present (stewardship) while seeking continuous organisational change and renewal (institutional vitality).

Leading-edge organisations are unique and relatively few. Consider, for example, Fortune's annual rankings of America's 'most admired' companies. These rankings are based on eight specific attributes, according to Jacob (1995):

- Quality of management;
- Quality of products and services;
- Financial soundness;
- Ability to attract, develop, and retain talented people;
- Use of corporate assets;
- Value as a long-term investment;
- Innovativeness; and
- Community/environmental responsibility.

Not only are executives in leading-edge organisations capable of asking just the right business questions, but their inquiry processes also seem to be keenly focused on linkages between the firm's *'hardware'* variables (*strategy, structure, systems*) and *'software'* variables *(staff, style, shared values, and skills).*

Combined with these theories, organisations have been changing in terms of structure. As the environment becomes more competitive, more service oriented, and more ambiguous, older perspectives about leading organisations are not as appropriate.

The attitude of ‘business as usual’ has led organisations to disaster in many situations (Wilson et al. 1994). Instead, organisations today are faced with continuing changes in technology, environmental conditions, and internal processes that require flexibility, continuous learning, and utilization of all available resources. The entire workforce, from front-line employees to the CEO, is being called upon more and more to provide ideas, make decisions, and respond to change. These changes require an equally drastic change in how the leadership of organisations is assessed, conducted, and learned.

Millett and Harvey (1999) state that organisations can be conceived as problem-finding and problem-solving entities where decision-making processes become the central mechanisms for change and adaptation. ‘This continuous flow of decision-making is the arena in which leaders exert leadership and organisational learning occurs’ (Lenz 1994 p. 155) Leadership is central to organisations dealing with change (Carnell 1995). The cognitive structures of leaders allow them to make sense of the world and interact effectively with their environment.

However, leaders' cognitive structures can also limit, hinder or distort their view of the world (Gioia 1986). The authors assert that effective leadership is based on effective learning at the individual and organisational levels. The dynamic interaction between perceiving the world, and intelligently structuring that world, reflects the way leaders learn and act. One of the hindrances to creativity for leaders is the conceptualisation of organisational trends and changes in the management literature. Trends and changes such as globalisation, technological innovation, deregulation, and downsizing are generally presented as fragmented, generic and somewhat independent sets of forces impacting organisations. There needs to be greater diversity in the way trends and changes are presented to leaders to stimulate different possibilities for framing their work environments.

Millett (1999) states that while managers may feel comfortable under conditions of stability, they have not been exposed to a wider range of concepts and models about organisations that provide a more useful framework for dealing with the present and the future. Hall's (1991) five perspectives on organisations indicate the diversity and depth of explanations available on how organisations function. Managers require a greater exposure to this diverse range of perspectives that have evolved under the field of study known as ‘organisation theory’. Although these explanations are partial and have their

limitations, they are, nonetheless, essential for building a language for learning about and developing learning communities and learning organisations.

In order to determine the level of understanding of executives of the factors which they perceive as impacting on effective leadership practice in their environment, the following research issue has been developed;

Influence of Change and Innovation	RI 5: How have organisational change and innovation initiatives influenced effective leadership practice for executives in the Colombian coal mining industry?

This fifth research issue seeks to determine the level of understanding shown by the interviewees of how organisational change and innovation initiatives have influenced effective leadership practice for executives in the Colombian coal mining industry. With this research issue it is argued that there is increasing attention being given to strategic leadership and its focus on organisational change and innovation initiatives, hence, the need to look at this aspect in terms of the influence on effective leadership practice.

2.5.5. Business Ethics and Social Responsibilities

Messick and Bazerman (1996) commented that the characteristics of our nation, group, or culture appear to us to be normal and ordinary, while others appear foreign, strange, and curious. Implicit in this perception is the assumption that what is normal is good and what is foreign, different, and unusual is less good. This perception that *our* way is normal and preferred and that other ways are somehow inferior has been called ethnocentrism. In the ethnocentric view, the world revolves around our group, and our values and beliefs become the standard against which to judge the rest of the world.

The issues identified by Freed (2006 p. 1) in a newspaper article titled ‘Ethics test miners' mettle’ in the business section the *Sydney Morning Herald* are typical of those encountered by multinational mining companies operating in Colombia—which leads to the significance of this research issue. In recent years there has been an increasing awareness on the part of business, the government and the public of Colombia of the costs and impact of corruption on Colombian society. A quick overview of the Colombian landscape reveals a number of overarching and insoluble problems (O’Brien 1999a). How does a company deal with the issues of business ethics in a country torn by civil war? Between the left-wing insurgencies and the right-wing paramilitary forces,

much of the countryside has suffered significantly from the ravages of war. Drug trafficking is interwoven on both sides of this conflict and all sides profit handsomely despite, and probably also because of, the conflicts. To this mix can be added the social problems of poverty, changing urbanisation patterns and a society plagued by corruption (O'Brien 1999a).

Corruption exists at numerous levels and this problem is exacerbated by complex bureaucratic systems and confusing red tape. According to Kaufmann, Kraay Mastruzzi (2003), the main problematic areas of governability in Latin America are corruption, political instability and the lack of voice and accountability. Corruption is a factor that strongly affects the governance situation in Venezuela, Ecuador, Argentina and Colombia. Political instability has been the worst in Colombia. This represents concern in the region. However, political stability has been deteriorating in Venezuela since 2002 and in Bolivia since April 2003 (Kaufmann et al 2003). This study presents a unique opportunity to look at effective leadership practice in the context of the challenging environment of executives in the coal mining industry in Columbia that is both difficult and complex and where the normal issues of effective leadership practice assume a different perspective to that which expatriate executives would have been exposed to prior to working in Colombia, as can be seen from the sections above.

Imposing the standards of a developed, first world country in the third world is criticized by some as a form of ethical imperialism (Berman, 1973). Although there is some merit in this argument, it cannot be accepted without considerable qualification. A respect for the right of people to set their own standards does not automatically justify corporations in inflicting grave harm on innocent people, for example, or violating basic human rights. In deciding whether to employ a practice that is regarded as wrong at home but is legal and apparently approved in a host country, a number of factors must be considered. It is suggested that one should distinguish the minimal and maximal duties of corporations and come to some agreement about the former. A maximal duty or obligation is one whose fulfillment would be 'praiseworthy but not absolutely mandatory', whereas a minimal duty is one such that 'the persistent failure to observe it would deprive the corporation of its moral right to exist' (Donaldson 1989, pp. 62-63).

Raymond Vernon (Vernon 1974, pp. 287), states that '*The record shows that when U.S. enterprises operate in less developed countries, there is a very high probability that*

they will be charged from some quarters with various serious failings in terms of social responsibility'.

It is as relevant today as ever in relation to the situation that foreign companies will sooner or later find themselves in, and certainly is not limited to US organisations. The requests of third world countries for help in improving living conditions and developing the local economy, although often expressed as demands for justice, are pleas for a kind of 'corporate philanthropy' that is, at best, a maximal duty and not a moral minimum (Donaldson 1989). Further impoverishing a people or violating a fundamental human right, however unintentional, is a failure to observe minimal obligations that apply to all organisations.

In summary, it is essential to identify and understand the factors affecting effective leadership practice in Colombia and recognise, as in many developing countries, there are many stresses and strains that need to be identified and understood relative to a company functioning in its country of origin. In Colombia, the relationship with the government and other internal stakeholders, including political groups, will be very different. Issues that should be at least identified by multi-national companies are those involving operating on an ethical level that is higher than what the local law requires and using corporate resources to address major social problems where possible.

With this final research issue it is argued that there is increasing attention being given to strategic leadership and its focus on business ethics and social responsibilities, hence, the need to look at these aspects in terms of their influence on effective leadership practice for executives in the Colombian coal mining industry. This sixth research issue is listed as follows:

Influence of Ethics and Social Responsibility	RI 6: How have business ethics and social responsibilities influenced effective leadership practice for executives in the Colombian coal mining industry?

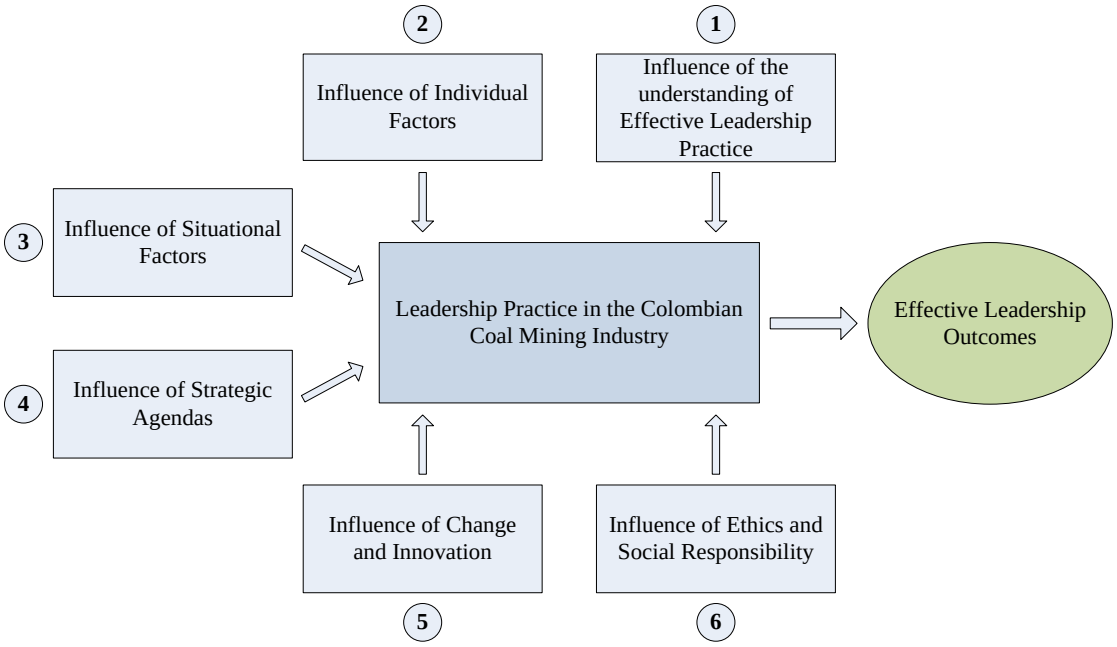
The analysis of the responses relative to this research issue hopes to identify a number of common themes that emerge in regard to the level of understanding shown by the interviewees of how business ethics and social responsibilities have influenced effective leadership practice for executives in the Colombian coal mining industry.

2.6. Conclusion

As already stated, it is important to understand which leadership styles are most effective. Furthermore, past research suggests that different leadership styles are effective in different national contexts, however, it appears that little research has focused on which leadership styles and characteristics exist and are most effective in Colombia. To better understand this, the requirement exists to also understand the relationship between culture and leadership, as Vaill (1996) states that the organisational environment is magnified in Colombia with its high rates of inflation, political instability, less reliable infrastructure, rapid urban population growth, and many other destabilizing factors. The study also seeks to identify the implications of this relationship for Colombian and western executives in the Colombian coal mining industry.

This literature search lead to the development of the six research issues and the case study model shown in figure 2.5 below which aims to find the key themes and patterns in the data across cases and identify the key attributes and factors concerning how executives in the Colombian coal mining industry relate to effective leadership practice.

Figure 2.5 Effective Leadership Practice in the Colombian Coal Mining Industry



Source: produced for this study

The research study into how executives in the Colombian coal mining industry relate to effective leadership practice was guided by the following six research issues:

RI 1: How do executives in the Colombian coal mining industry describe effective leadership practice?

RI 2: What are the key individual factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

RI 3: What are the key situational factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

RI 4: How have strategic agendas influenced effective leadership practice for executives in the Colombian coal mining industry?

RI 5: How have organisational change and innovation initiatives influenced effective leadership practice for executives in the Colombian coal mining industry?

RI 6: How have business ethics and social responsibilities influenced effective leadership practice for executives in the Colombian coal mining industry?

The purpose of the questions developed for this study and shown in the matrix in appendix 3, and then used in the questionnaire shown in appendix 2, is to identify the contribution of the investigation to the body of theory on effective leadership theory, along with practical implications of the investigation's conclusions within the context of the literature and their implications for both theory and practice. Limitations of this study and possible directions for future research will be identified in Section 5.6 of chapter 5.

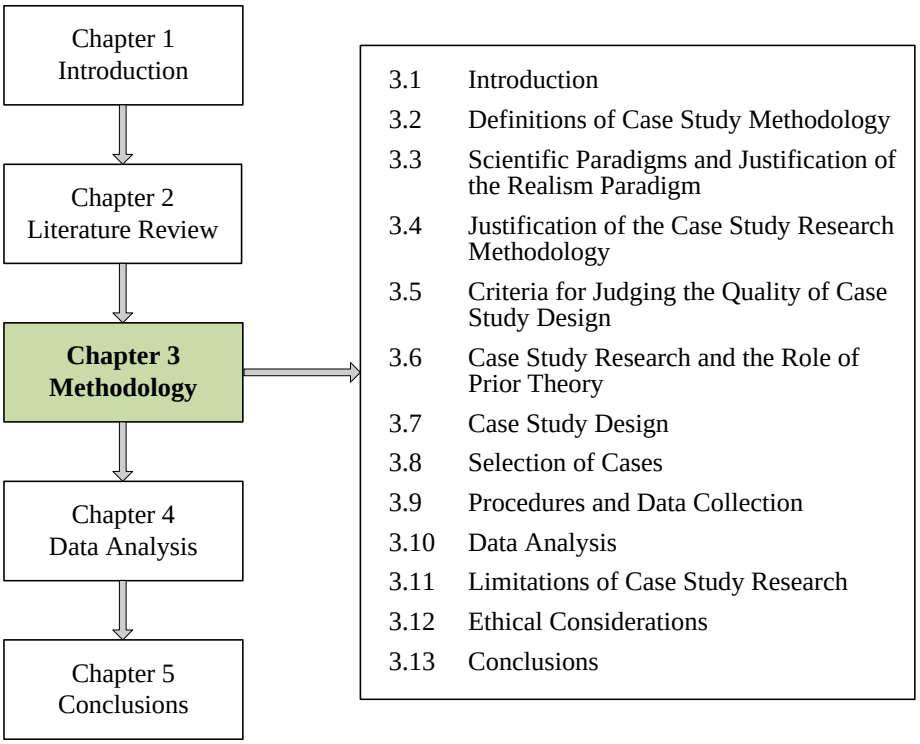
3. METHODOLOGY

3.1. Introduction

While the previous chapter provided the theoretical framework and identified the research problem and the six research issues for this dissertation, the purpose of this chapter is to address the case study research methodology used to explore and explain the research issues and to outline how data was collected and analysed.

Chapter 3 comprises thirteen main parts. The definitions used in the development of this case study methodology are developed first (section 3.2). These are followed by a review of the scientific paradigms and justification of the realism paradigm (3.3). Next, is a review of the justification of the case study research methodology (3.4), followed by a review of the criteria for judging the quality of the case study design (3.5). Subsequently, a review of the case study research and the role of prior theory (3.6) is provided—followed by a review of the selection of cases (3.7); the data collection procedures (3.8); the pilot case studies (3.9); the case study analysis procedures (3.10); and the limitations of case study research (3.11). Thereafter, a review of the ethical considerations of the study (3.12) is provided and then, finally, the conclusions (3.13) are presented.

Figure 3.1 outline of the Methodology, with section numbers noted



3.2. Definitions of Case Study Methodology

The literature review in the previous chapter identified and outlined the prior relevant research into this topic of leadership and this study has adopted the case study method as the most appropriate design for the study. This decision is justified in section 3.4 below.

Bonoma (1985, pp. 203-4) defined a case study as: 'A description, directly obtained, of a management situation based on (several sources of evidence such as) interview, archival, naturalistic observation, and other data, constructed to be sensitive to the context in which management behaviour takes place and to temporal restraints', and also argues that case study may be adapted for conducting research in context-dependent marketing phenomena because case studies rely on the use and triangulation of multiple sources of data.

Case studies are a rigorous research approach concerned with the collection of multiple evidence about a few specific aspects of interest within a case, and focusing on a phenomenon within a real life context that requires current research (Perry 2000b). Merriam (1988, pp. 11-15) is more detailed and suggests four essential characteristics of case study research:

- Particularistic: it is specific and focused on a situation or phenomenon;
- Descriptive: it has richness and depth and is focused on contextual meaning;
- Heuristic: it illuminates and raises the possibility of new perceptions; and
- Inductive: hypotheses, relationships and understanding emerge from the data and immersion.

Eisenhardt (1989) emphasises the research potential of a case study by defining case research as a research strategy focusing on understanding the dynamics present within single settings, where the source of evidence may be qualitative, quantitative, or both.

More recently, Yin's (1994, p. 13) definition of case research is that it contains three core parts that:

- investigates a contemporary phenomenon within its real-life context; when
- boundaries between phenomenon and context are not clearly evident; and in which
- multiple sources of evidence are used (Yin 1994, p. 23); and

- further, case study should not only be looked upon only as a data collection tactic or solely as a design feature, but also as part of a comprehensive research strategy.

Similar to Yin's criteria is Robson's (1993, p. 142) definition that 'focuses on a particular part of an organisation or an industry within its context in order to rigorously explore and analyse contemporary real-life experiences in-depth using a variety of evidence'. Synthesising the above definitions for this research, case research:

- concentrates on a specific part of an organisation or an industry within its real-life context, as well as in collecting multiple sources of evidence about a few specific aspects of interest (Merriam 1988; Robson 1993; Yin 1994);
- provides guidance in rigorously exploring the dynamics present within their context (Bonoma 1985; Eisenhardt 1989; Merriam 1988; Robson 1993; Yin 1994); and
- analyses data in a rather more exploratory and descriptive manner than a prescriptive and normative manner (Bonoma 1985; Merriam 1988; Yin 1994).

3.3. Scientific Paradigms and Justification of the Realism Paradigm

Guba & Lincoln (1994, p. 105) define a paradigm as an overall conceptual framework within which a researcher may work, that is, a paradigm can be regarded as the 'basic belief system or worldview' that guides the researcher. This section looks into the scientific paradigms of positivism, realism, critical theory and constructivism and discusses them in relation to the nature of knowledge sought (ontology), nature of relationship between the researcher and the knowledge sought (epistemology), and the methods of research. A summary of the four paradigms is presented in Table 3.1 and will be discussed next, together with a description of the ontological, epistemological and methodological levels. The realism paradigm is then identified as being the most appropriate for this research.

Table 3.1: Alternative Inquiry Paradigms

Item	Positivism	Realism	Critical theory	Constructivism
Ontology	***Naïve realism:*** Reality is real and apprehensible	***Critical realism:*** reality is 'real' but only imperfectly and probabilistically apprehendable so triangulation from many sources is required to try and know it.	***Historical realism:*** 'virtual' reality shaped by social,economic, ethnic, political, cultural and gender values, crytallised over time.	***Critical relativism:*** multiple local and specific 'constructed' realities.
Epistemology	***Objectivist:*** Findings are true.	***Modified objectivist:*** Findings are probably true.	***Subjectivist:*** Value mediated findings	***Subjectivist:*** Creative findings
Methodology	***Experiments/ surveys:*** verification of hypotheses: mainly quantitative methods	***Case studies/ convergent interviewing:*** triangulation, interpretation of research issues by qualitative and quantitative methods such as structural equation modeling.	***Dialogic/ dialectical:*** researcher is a 'transformative intellectual' who changes the social world within which participants live	***Hermeneutical/ dialectical:*** Researcher is a 'passionate participant within the world being investigated.
Note: Essentially, ontology is 'reality', epistemology is the relationship between that reality and the researched and methodology is the technique used by the researcher to discover that reality.				

Source: Perry, Alizadeh and Riege 1997, p. 547 based on Guba & Lincoln (1994)

Ontology refers to the form and nature of reality and what elements of the world can be researched (Guba & Lincoln 1994); while epistemology relates to the nature of the relationship between reality and the researcher and the need to discover 'how things really are' and 'how things really work' (Guba & Lincoln 1994, p.108). Methodology provides a systematic way in which the research should proceed (Easterby-Smith, Thorpe & Lowe 1991). Therefore, the methodological level outlines suitable research tools and techniques to conduct the research. Next, the ontology, epistemology and methodology of the four paradigms are deliberated.

Positivism. This paradigm looks at reality in an objective way that is 'real and apprehensible' and where 'inquiry takes place as through a one-way mirror' (Guba & Lincoln 1994, p. 109). Positivists thus assume that the researcher is independent of what is being researched, and so contends that researcher values and biases will not influence

research outcomes and reality (Perry, Riege & Brown 1998). Positivism is deductive and requires that only observable occurrences be researched. It asserts that science can ascertain the exact nature of reality (Easterby-Smith et al. 1991). The researcher must be objective and value free and explore a direct cause and effect outcome (Healy 2000, Riege & Nair 1996). Positivism does not usually allow the researcher to work with dynamic phenomena and it makes no allowances for the contribution of relatively unobservable realities that are present in the management environment, for example, a follower's belief in a leader.

The purpose of this research is not—as positivism's purpose usually is—to test an established theory, or to find a cause and effect relationship. The phenomenon to be explored is dynamic and may even change within the timeframe of this research; moreover, a positivist viewpoint cannot accommodate the experiences and interpretations of humans interacting within a work environment (Perry, Riege & Brown 1999). As such, while the positivism assumption is appropriate in a natural science environment, it is not appropriate for this study as the research involves humans and their real-life experiences, and the opinions of respondents.

Realism. The final paradigm of realism is the most appropriate for this research. Realism asserts that an external reality exists, but within a dynamic framework; thus, it is a complex phenomenon and not readily apprehendable (Healy & Perry 2000, Godfrey & Hill 1995, Guba & Lincoln 1994). Within the realism paradigm, researchers are not seeking an absolute truth, rather, they are seeking to develop models from empirical data and from prior theory that move closely towards the truth (Healy 2000). Realism reflects the imperfect world and accepts that there is no factual account of the situation under investigation, but rather a fallible understanding of the phenomena (Merriam 1988).

Within the realism paradigm, the world can be distinguished as having the three domains of reality of mechanisms, events, and experiences. This is illustrated in Table 3.2 (Bhaskar 1978).

Critical theory. The paradigm of critical theory can be used to examine long-term organisational processes. The paradigm requires the researcher to critically evaluate social, political and cultural values, or the social realities of its subject (Healy & Perry 2000). The researcher becomes a 'transformative intellectual' creating change in the

social world (Guba & Lincoln 1994, p. 112). In particular, this method requires a dialogue between researchers and their subjects that allow a researcher to influence outcomes, albeit in a scholarly way, thus transforming social consciousness (Riege & Nair 1996).

This research does not seek to influence the consciousness of participants but, rather, to investigate how a theory may be developed to enable an understanding of effective leadership practice and assist in future development. Thus, this paradigm is also inappropriate for this research because the researcher does not aim to be a 'transformative intellectual' who influences people from their historical, mental, emotional and social structures (Guba & Lincoln 1994, p. 112). Instead, the researcher has attempted to understand the reasons for the clearly external realities involved with effective leadership practice by senior executives in the Colombian coal industry.

Constructivism. The paradigm of constructivism requires that the researcher examines the perspectives of individuals and their beliefs and values and, thus, reality consists of multiple realities (Healy & Perry 2000). It also requires the researcher to work from within the research environment, closely involved with participants and clearly contributing to the research outcomes (Guba & Lincoln 1994). According to this paradigm, no interpretation of the world can be made independently of human sensation, perceptions, information processing, feelings and action (Peter 1992; Peter & Olson 1982). That is, there is no prior theory and reality is essentially a mental construction of individuals (Manning 1997). This reality depends on interactions between interviewer and researcher and the researcher needs to be a 'passionate participant' during his or her fieldwork (Guba & Lincoln 1994, p. 112). Thus, the aim of research within this paradigm is to reconstruct multiple realities from an insider's perspective (Manning 1997).

For this research, constructivism does not allow the examination of the clearly external realities (such as planning, and budgeting) involved with effective leadership practice by senior executives in the Colombian coal industry. These realities are an important dimension of this research; therefore, constructivism was not an appropriate paradigm.

Table 3.2: The Three Domains of Reality

	Real domain	**Actual domain**	**Empirical domain**
Mechanisms	❖		
Events	❖	❖	
Experiences	❖	❖	❖

Source: Wollin (1986), adapted from Bhaskar 1978, p. 13.

Case studies are a rigorous research approach concerned with the collection of multiple evidence about a few specific aspects of interest within a case, focusing on a phenomenon within its real life context that requires current research (Perry 2000b).

This research will attempt to establish the external realities surrounding effective leadership practice in the identified environment. Realism, critical scientific realism or the post positivism paradigms are more appropriate for some management research than the other paradigms. This type of research is searching, albeit necessarily imperfectly, towards an understanding of the common reality of an economic system in which many people operate independently. Realists believe that there is a 'real' world to discover, even if it is only imperfectly and probabilistically apprehensible (Godfrey & Hill 1995; Guba & Lincoln 1994; Tsoukas 1989; Merriam 1988). Therefore, this critical realist paradigm is the appropriate paradigm for this research (Yin 1994).

As identified, a research paradigm based on realism best suits this study because the research involves action-related analysis of real, complex situations (Perry 1998b). This paradigm is more appropriate for much marketing and management research. In this paradigm it is assumed that reality does exist, but that it is so complex that we are only able to observe parts of it. Within this realism paradigm discussed above, the case study research methodology appears to be especially appropriate for marketing research involving issues such as networks. Note that this refers to the rigorously analytical method of case study research (Perry 1998c: Yin 1994: Perry & Coote 1996).

3.4. Justification of the Case Study Research Methodology

The approach this research takes is an inductive, theory-building method based on a relatively underdeveloped theoretical base. This theoretical base is open to interpretation of the complexity and dynamism of the context of the organisational setting (Parkhe 1993). Thus, theory-testing methods are not appropriate, although there is some deduction of theory developed from the literature. Case study methodology is appropriate for theory building and also accommodates the role of some prior theory (Perry 1998c).

Therefore, in this research, the case studies will be utilised to focus on particular situations, that is, situations that produced outcomes of success or failure for the companies involved, as stated in the research question. The case studies are expected to provide fullness and depth of contextual meaning, illuminate and raise the possibility of new perceptions, and induce understanding from immersion into the data and experience (Merriam 1988).

Therefore, having established the paradigm for this research, the next step is to establish the research method and justify the methodology from those that could be used within the realism paradigm. With regard to the issue of data collection, it was observed that research in the area of leadership has traditionally focused on quantitative research and qualitative research has been considered a lesser form of research (Seale 1999). The use of statistical analysis is useful in research, but is limited by the researcher's ability to analyse data wisely. Qualitative research is different from quantitative research in four ways. Firstly, qualitative research is a creative process that depends on the insights and conceptual abilities of the analyst (Patton 1999). In contrast, quantitative analysis is bounded by statistical rules and formulas. Secondly, qualitative research methods frequently probe deeper, but are less structured than quantitative techniques and, thus, are useful when the research is exploratory in nature (Jarratt 1996). Then, the outcomes of qualitative research are most frequently presented in words as opposed to the outcomes of quantitative research that are usually presented as numbers (Campbell 1999). Finally, qualitative research has a significant role in clarification of the values, language and meanings ascribed to the various actors within an organisation or community (Sofaer 1999). In brief, qualitative research provides a closer, less abstract framework for research and so is appropriate for this research.

Qualitative methods can assist us in providing rich descriptions of phenomena that may be difficult to convey with quantitative methods (Sofaer 1999; Jarratt 1996). In other words, the benefits of using qualitative methods can be extended to include the ability to go beyond a tightly quantifiable outcome. The relative freedom to explore the potential outcomes of qualitative research may provide more insightful outcomes. Researchers are able to make use of a more inventive and intensified qualitative analysis of the phenomenon they are exploring to identify what may have been missed and what is still waiting to be discovered (Hurley 1999). The method allows questions to be open ended, and welcoming alternative opinion, rather than closed to produce a quantifiable outcome. Qualitative research is action orientated (Devers 1999) and is a powerful tool in the social sciences (Seale 1999). Furthermore, research questions themselves should direct the researcher towards the appropriate methodology (Hentschell 1999; Mechanic 1989). It is intended that this research address a 'how' and 'why' problem and this type of problem is especially suitable for qualitative research (Carson et al. 2001). Putting the research issues into context clearly supports the qualitative methodology (Yin 1994; Perry & Coote 1994; Perry 1998), therefore, a qualitative method is appropriate for this research.

3.4.1. Existing Literature

In the case where the existing literature lacks sufficient theories, a quantitative methodology may lead to inconclusive results (Parkhe 1993); and too much focus on sophisticated statistical analysis of data collected through surveys may detract from the initial need to produce quality data (Blalock 1984; Stake 1994). The existing literature, as discussed in section 2, does not specifically cover the issues of effective leadership practice in the Colombian mining industry and may be considered to be very general in nature, thus, trying to test hypotheses from this incomplete theory may not be the right approach. This lack of studies in this specific area of effective leadership practice confirms the need for more theory development. Hence, the use of the case study methodology would better serve the purpose than other methodologies.

3.4.2. Complexity of the System

The system under investigation, that is, how do senior executives in the Colombian coal mining industry relate to effective leadership practice is *complex* and the lack of prior theory discussed in the previous paragraph may be the result of this system complexity. Where there exists a relatively thin theoretical base or *complex observational task*, case study is an appropriate research strategy (Bonoma 1985). Therefore, this research is not based on gathering information from a large number of respondents and trying to get results through averaging the data. Rather, the core element of data collection about effective leadership practice is understanding the process of effective leadership in the identified environment itself—which can be done by a qualitative methodology such as case study.

In addition, the research problems for case study research often involve an understanding of managerial perception or culture where meanings are socially constructed, rather than being value-free (Easterby-Smith, Thorpe & Lowe 1991). That is, the objective of case study research is to understand the phenomena under investigation and interpret the respondents' experiences and beliefs (Parkhe 1993). By getting close to the phenomena under study, the researcher can obtain deep and detailed data. This approach is consistent with the realism paradigm that seeks capabilities rather than regularities (Tsoukas 1989); and with analytical generalisation rather than statistical generalisation (Easton 1982; Yin 1994).

3.4.3. Nature of Research Problem

The choice of the research method may be determined by the nature of the research problem. Case study research is appropriate where the research problem generally involves 'how' and 'why' questions (Yin 1994). The research problem for this study introduced in chapter 1 of 'How do senior executives in the Colombian coal mining industry relate to effective leadership practice?' involves a 'how' and 'why' question and addresses a process not yet thoroughly researched. In this research, an attempt is made to develop and define the issue of the understanding of senior executives in the Colombian coal mining industry that relates to effective leadership practice, their involvement in this process, and a detailed investigation of associated issues. In this context, Yin (1994) gives a detailed analysis of five approaches to research methodology and identifies the situations in which each approach is appropriate. This

analysis gives an insight into the nature of the research problem and the selection of methodology.

Table 3.3: Selecting Appropriate Research Method

Strategy	Form of research question	Requires control over behavioural events?	Focuses on contemporary events
Experiment	how, why	yes	yes
Survey	who, what, where, how many, how much	no	yes
Archival analysis	who, what, where, how many, how much	no	yes/no
History	how, why	no	no
Case study	**how, why**	**no**	**yes**

Source: Yin (1994, p. 6)

These five approaches shown in Table 3.3 are discussed next to determine the appropriateness of the case study methodology for this research. From Table 3.3, it appears that there are three conditions which determine the appropriateness of the research methodology: the type of research problem, the extent of control required over behavioural events, and the degree of focus on the contemporary issues. Therefore, it is possible to use these three conditions to justify the selection of research methodology.

For this research *experiments* are not suited, because it is not possible to control behavioural events directly in the study of effective leadership practice, either in a laboratory setting or in field study. The use of experiments is relevant when an investigator can manipulate behaviour directly, precisely and systematically (Yin 1994). As this research attempts to explore the understanding of senior executives of effective leadership practice in the Colombian coal mining industry in its natural setting this research excludes experiments. A s*urvey* is also not suited because this research does not attempt to measure events or the incidence, nor does it aim to be predictive; instead, this research attempts to delineate the types and natures of variables involved in the process of effective leadership. *Archival study* is also not suited because this research is concerned with focusing on contemporary events. In addition, most archival records in this industry

are highly confidential and rarely accessible and these may not yield the required information on their own. *Historical analysis* is also inappropriate because historical analysis does not focus on the contemporary events and the history method deals with the dead past (Yin 1994). In contrast, case studies are appropriate when there is a need to study a contemporary issue, as this research requires (Patton 1990; Yin 1994).

Therefore, in summary, the case study methodology is most appropriate for this research on three grounds. First, this research involves a 'how and why' type question, second, while studying the issue of effective leadership practice the behavioural events cannot possibly be controlled, and third, the understanding of effective leadership practice is a contemporary issue.

3.4.4. Subjective Versus Objective Issues

The utility of quantitative techniques is restricted in a study of *subjective* issues (Morgan & Smircich 1980). Similarly, case study research involves finding out what people think and how they feel (Bellenger, Bernhardt & Goldstucker 1976). For instance, case study research enables the researcher to get the 'feel' of what people really think about effective leadership practice in their respective environment and what impact it has for them personally and for their organisation. This kind of information is subjective because it involves managers' perceptions and impressions of the process; hence, case study methodology is more suited for this research.

3.4.5. Previous Studies

This last criterion looks at how successfully case study methodology has been used in similar studies previously. In the extant literature, several studies have used case study methodology successfully for theory generation in the area of managerial involvement in leadership practice, for example, Parkinson (1982), Shaw (1985), Foxall and Johnston (1987) and Biemans (1991). Though the scope of their investigations and issues studied differ from this research, these studies do provide support for the use of case study methodology for theory generation in the area of managerial involvement in effective leadership practice.

In brief, considering the nature and objective of this research, the case study methodology within the realism paradigm is appropriate for this research.

3.5. Criteria for Judging the Quality of Case Study Research Design

The purpose of this section is to discuss the measures that were taken to achieve quality in the case study research justified above. Different tests have been proposed to achieve quality. For example, achieving validity and reliability of research are important considerations in any research because these may improve the quality of research design. Although the criteria of construct, internal and external validity and of reliability are generally used in *quantitative* research within the paradigm of positivism (Lincoln & Guba 1985), many researchers believe that validity and reliability can also be achieved in case study research (Eisenhardt 1989; Gabriel 1990; Miles & Huberman 1994; Parkhe 1993; Yin 1994). Orum, Feagin and Sjoberg (1991) also believe that construct validity may even be *greater* in case study research than in any quantitative methodologies. In turn, many researchers are also convinced that internal validity and reliability are important and a case study research design should attempt to achieve these (for example, Eisenhardt 1989; Miles & Huberman 1994; Yin 1994). In contrast, external validity may *not* be as relevant as in quantitative research because this external validity refers to a universal law over a population (Numagami 1998). Indeed, theory building research like this does require analytical generalisation, rather than statistical generalisation (Yin 1994).

Based on this uncertainty about reliability and validity, it is necessary to consider the four criteria that have been developed for establishing quality in qualitative research design. These four criteria within the paradigms of *constructivism* and *critical theory* are: confirmability, credibility, transferability and dependability (Hirschman 1986; Lincoln & Guba 1985; Marshall & Rossman 1995; Miles & Huberman 1994; Robson 1993). These four tests have also been recommended for case study research within the paradigm of scientific realism (Riege & Nair 1996). However, more recently, Healy and Perry (2000) proposed six criteria for judging research quality specifically within the paradigm of *scientific realism*: ontological appropriateness, contingent validity, multiple perceptions of participants and of peer researchers, methodological trustworthiness, analytical generalisation and construct validity. Thus, these tests seem more appropriate for this research since a case study methodology under the paradigm of scientific realism has been used in this research.

However, for this research an attempt has been made to achieve quality in terms of *all three* of these groups of tests under the paradigms of positivism, constructivism/critical theory and scientific realism recommended above. The reason for doing this is to acknowledge the recommendations about quality tests by many well-known researchers and authorities in the area of qualitative research (for example, Eisenhardt 1989; Hirschman 1986; Lincoln & Guba 1985, Yin 1994). Since the critical scientific realism paradigm is the basis for this research, only the quality criteria under this paradigm of critical scientific realism is discussed in detail in this section.

3.5.1. Quality Criteria under the Critical Scientific Realism Paradigm

The first criterion of *ontological appropriateness* is concerned with the ontological basis of the critical scientific realism paradigm that assumes that the research is dealing with complex social phenomena involving reflective people. Therefore, ontological appropriateness is achieved in this research by the selection of a research problem that deals with a complex social phenomenon and that involves a 'how' and 'why' question.

The second criterion of *contingent validity* is about the validity of generative mechanisms and the context that make them contingent. Contingent validity is achieved in this research by asking in-depth questions with an emphasis on 'why' questions to ensure the effects of context on phenomena were captured. The various cases have been selected to obtain both theoretical and replication logic. Of three dimensions that were used for this purpose, the first dimension was the specific targeting of the Colombian coal mining industry, the second dimension was the perceptions of both national and expatriate senior executives, and the third dimension was the relationship in regard to effective leadership practice.

The third criterion of *multiple perceptions of participants and peer researcher* concerns triangulation of various data sources because, according to scientific realism paradigm, a perception is a window to reality through which a picture of reality can be triangulated with other perceptions. That is, scientific realism relies on multiple perceptions (Healy & Perry 2000). To satisfy this criterion, triangulation of evidence was achieved by collecting data from three sources including interviews, documentation and archival records. Also, two interviews were conducted in order to capture multiple perceptions of the participants, and key informants also reviewed the draft of the case report that achieved further triangulation, as described in section 3.6.3.

The fourth criterion of *methodological trustworthiness* is similar to the concept of dependability within the constructivism paradigm that refers to the extent to which the research can be audited by developing a case study database and by the use of quotations in the report. To achieve methodological trustworthiness, a case study database was established and quotes were used in the writing and analysis of data in Chapter 4. The fifth criterion of *analytical generalisation* is about theory building. That is, scientific realism must primarily be theory building, rather than theory testing. Analytical generalisation in this research has been conducted in Chapter 5. The final criterion of *construct validity* is similar to the construct validity within the positivism paradigm. The construct validity in this research was achieved by using prior theory in the research, by using multiple sources of evidence, and by asking key informants to review the case draft.

Therefore, in summary, this section addresses the need for assessing the quality of case study research design by using criteria and techniques proposed within the three paradigms of positivism, constructivism and scientific realism. This research has also demonstrated that these design tests can be used successfully to judge the quality of case study research.

3.6. Case Study Research and the Role of Prior Theory

Scientific realism was considered in Section 3.3 as the most appropriate paradigm for this research and section 3.4 established that case study was an appropriate methodology within the scientific realism paradigm. In turn, this section discusses the actual process of theory building from case studies and analyses the use of prior theory in a case study investigation.

Social science research may involve both inductive and deductive reasoning processes, but there is a debate on the ideal balance of induction and deduction in social science research. There can be a pure induction to almost a pure deduction. *Grounded theory* is at the induction extreme of the induction versus deduction continuum (Glasser & Strauss 1967). However, Strauss (1987) later refined Glasser and Strauss's earlier position and conceded that, in practice, it is difficult to ignore the theory accrued in one's mind before commencing the research process. That is, prior theory cannot be ignored in a research design (Jankowski & Wester 1991; Perry 1998b). Thus, both extremes of induction and deduction are untenable and unnecessary and the process of

ongoing theory advancement requires continuous interplay between the two so as to lessen the gap between the known and knowable (Parkhe 1993). That is, a balance of induction and deduction is required in a research design (Perry 1998b).

Inductive theory building tends to be more prominent in case study research, although it may include some deduction based upon prior theory (that is, the confirmation/disconfirmation of the emerging theory from multiple case studies). Therefore, prior theory has a role to play in the design of the case study research and analysis of its data (Perry 1998b). More importantly, prior theory provides directions as to what specific data from each case needs to be gathered, as well as the scheme for their analysis. This process may help in developing a particular line of theory relevant to user involvement in new service development, rather than documenting all the theoretical possibilities. This research attempts to achieve the balance of induction and deduction required for this research, that is, the research design ignores the pure induction process because it should incorporate existing theories about the topic of user involvement in new service development as described next.

3.6.1. Sources of Prior Theory in this Research

Three sources of prior theory were consulted in this research and form part of the theory building research stages discussed in this section. The first source was a detailed literature review in Chapter 2. The second source was two exploratory interviews conducted during the literature review phase and this was done in order to refine and focus the research and is described in further detail in phase 2 below. The results of these exploratory interviews provided a general consensus for a workable research field.

The third source was two pilot studies, again with two managers—one Colombian national and one expatriate—conducted before the start of the actual data collection process and were used to refine data collection and produce relevant questions. These two pilot case studies were conducted prior to the formal data collection process and the material obtained from these pilot studies was also useful for the refinement of case study protocol used for data collection in all of the cases.

Nevertheless, there was a concern that an initial theoretical position might lead to biases in theory generation (Lull 1988, reported in Jankowski & Wester 1991). Therefore, this problem was addressed by remaining vigilant for the biases that might have resulted from an initial theoretical position (Wollin 1986), for example, during data collection

the respondents were asked to tell the story of their perceptions of effective leadership practice as it relates to the Colombian coal mining industry in their own words and each section of the interview began with a very open-ended question. The respondents were also encouraged to expand and digress and cover the areas they thought critical.

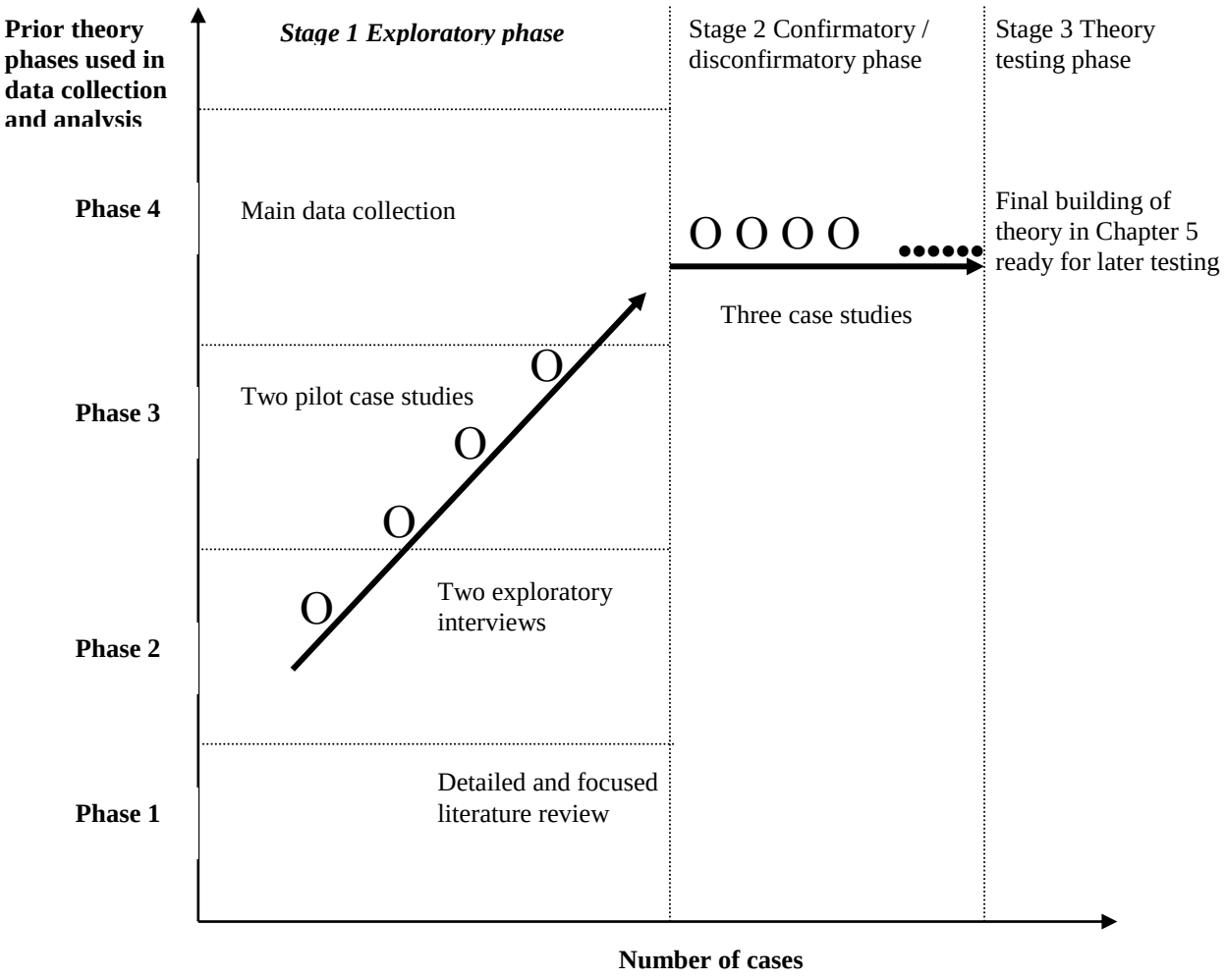
3.6.2. Stages of Theory Building Research

Now that the importance of prior theory has been established, the stages of theory building in this research can be identified. The research was completed in two stages, as illustrated in Figure 3.2. The *y*-axis represents prior theory used in data collection, while the *x*-axis refers to number of cases. The first stage is inductive and exploratory, while the second stage involves confirmatory/disconfirmatory case studies. The inductive stage starts with a focused and detailed literature review, followed by two exploratory interviews with senior managers of the Colombian coal mining industry. The objective of the inductive stage was to obtain some prior theory. Two pilot studies were also conducted to refine the data collection instruments and the development of interview protocol. The exploratory stage contains three phases, while the confirmatory/disconfirmatory stage has only one phase. Each of these phases is described in turn.

In Figure 3.2, the mixture of induction and deduction is emphasised in the exploratory phase and the confirmatory phase. Phases 1 to 4 indicate induction with some deduction. That is, field data was used alongside theory from the literature review to assist with the development of prior theory.

Phase one. Having a general idea of researching the concept of effective leadership practice and after a review of the literature in relation to the subject (chapter 2), it was possible to identify this under-researched area relating to the Colombian coal mining environment and it was possible to develop a broad indication of some initial research issues. This process helped to refine the research problem. In turn, the initial reading of the literature and development of the research problem guided the research into a more focused continuation of the literature review to further develop the theoretical framework and develop the appropriate research questions defined in chapter 2.

Figure 3.2 Stages of Theory Building used in this Research



Source: developed for this research from Carson et al. (2001), Perry (1998b), Perry & Coote (1994)

Phase two. The convergent interviews were aimed at refining the concept and focusing the research on an area of need. For this stage, two senior managers of the Colombian coal mining industry contributed their own knowledge, values and experiences, one from a national perspective and one from an expatriate background. From these interviews a set of prompt questions was developed.

These exploratory interviews were needed for two reasons. First, the literature review revealed that there was a lack of study in the area of effective leadership practice in the Colombian coal mining industry, therefore, there was a need to obtain first-hand information from the managers in this environment to compare and contrast their views with that obtained from the literature. Second, exploratory interviews assist in developing a theoretical framework and refining research questions (Zikmund 1997).

The first question posed to each respondent was a broad and general one designed to build rapport and asked the managers to tell the story of their experiences (Malhotra et al. 1996). This was followed by general questions designed to establish the advantages and need for effective leadership practice and then, after this initial discussion, respondents were asked more specific questions about the process of effective leadership practice and its implications in the identified environment. Specific wording, and the order in which these questions were asked, were based on the interviewees' responses (Aaker, Kumar & Day 1998). In addition, respondents were asked a number of probe questions based on the insight developed from the literature, as probing is considered to be an integral part of an In-depth interview (Malhotra et al. 1996; Zikmund 1997). Moreover, probe questions are important in obtaining meaningful responses and uncovering hidden issues (Payne 1982). To probe, the respondents were asked if they were involved in activities identified in the literature and were given the opportunity to respond as they thought fit.

Phase three. The results of the first two convergent interviews provided a general consensus for a workable research field. That is, they helped to identify the six research issues developed in chapter 2 as a structure for data collection and analysis in this research. Then the two pilot case studies, again with two managers—one Colombian national and one expatriate—were used to refine data collection and produce relevant questions for the later case studies. These two pilot case studies were conducted prior to the formal data collection process because the pilot studies might provide prior theory and general directions for the data collection process (Perry 1998b). These pilot case studies also play a role in determining the usefulness, assessing the reliability and validity of the interview questions, and allowing the researcher an opportunity to review and revise the research instrument and interview protocol before the main case studies are conducted (Eisenhardt 1989; Parkhe 1993; Yin 1994). The respondents in these studies were senior managers in the Colombian coal mining industry. The study covered both substantive and methodological issues and was a prototype for the main data collection.

Phase four. In the fourth phase, interviews were undertaken based on the exploratory insights gained from the previous three phases. During the interviews the participants were encouraged to give their own views. The questions provided a platform for analysis and provided prompt questions where there were areas not covered by the

respondent's answers. This activity is consistent with the concept of analytical generalisation for case study research within the scientific realism paradigm, as opposed to statistical generalisation. In brief, the use of prior theory in this research assisted in developing an appropriate theoretical framework and research questions. This prior theory also enabled identification of more appropriate types of cases for this research.

3.6.3. Activities of Theory Building Research

After the initial stages of research, the specific activities that have been carried out to develop theory can be considered. Following the process of developing theories from case studies, the researcher carried out seven steps, summarised in Table 3.4 (Eisenhardt 1989). The theory development process starts with the review of literature, along with exploratory interviews and formulation of research questions in chapter 2. Chapter 3 details the methodology and procedures of data collection. The data collected are analysed to shape the emerging theories and, finally, emerging theories are documented in chapter 5.

Table 3.4: Activities of Theory Building from Case Studies

Steps	Activities	Reasons	Chapter or section
1. Getting started	• Review of existing literature • Define research questions	• Focusing research effort • Developing a preliminary model or theoretical framework	Chapter 2
2. Selecting Cases	• Purposeful, not random sampling	• Selection of cases based on literal and theoretical replication	Section 3.6.1
3. Crafting Instruments and protocol	• Develop case study protocol • Conduct pilot studies	• Control the contextual environment of the study • Improve reliability • Conceptual clarifications of research design	Section 3.7.1 Section 3.8
4. Entering the Field	• Multiple data collection method through interviews and documentation	• Better triangulation of evidence • Achieve construct validity	Section 3.7
5. Analysing the Data	• Use NUD*IST • Cross-case analysis • Use 'quotes' from the case studies	• Transcription of data • Achieve reliability • Gain qualitative insight	Section 3.9 and Chapter 4

Steps	Activities	Reasons	Chapter or section
6. Shaping the Model	• Tabulate the evidences collected from the case study to shape the emerging theory and model	• Confirms, extends and sharpen the theory • Builds internal validity	Chapter 4
7. Reaching closure	• Document the emerging theory	• Write-up the theory, supporting it with empirical evidences from case studies	Chapter 5

Source: developed from Eisenhardt (1989)

In brief, this research acknowledges the role of prior theory and adopts a balance of induction and deduction in case study research design by conducting a detailed literature review, exploratory interviews and confirmatory/disconfirmatory case studies. The process of developing theories from case studies has also been outlined in this section. Next, the process of case selection and sampling is considered.

3.7. Case Study Design

Case study design is the initial point for case research. While it is possible to change this design during the research process, it is better to create the original design as close to the final one as possible (Yin 1994) to assist in maintaining the credibility of the research.

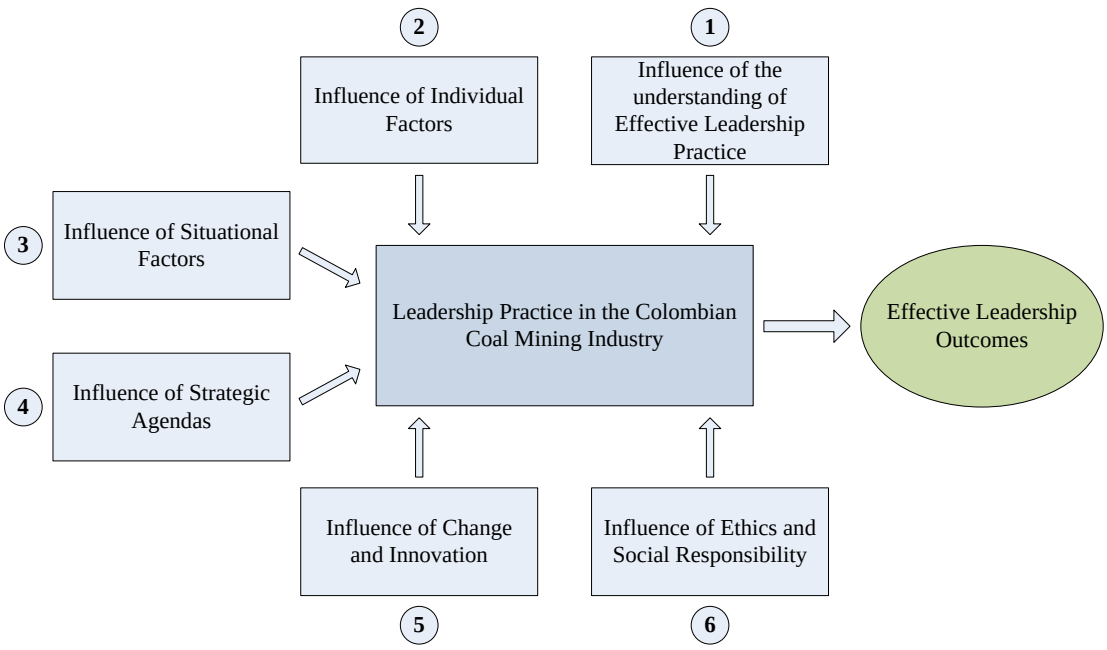
Research design is the blueprint that guides the research study towards it objectives. The first component of the process is the selection of either a single or a multiple case design. Single case design can be used only if the three criteria are satisfied: a critical case, a unique case that is worth documenting, or a revelatory case in which it is possible to analyse phenomenon previously inaccessible to investigation (Yin 1994). For this research none of these criteria were met, therefore, a single case design was not appropriate.

A multiple, rather than single, case study approach was chosen for this research because multiple case design has many advantages (Leonard-Barton 1990; Miles & Huberman 1994; Yin 1994). For example, using a variety of cases from different organisations helps to capture the complexity of the social settings and facilitates comparison of activities across a variety of settings and situations (Adams, Day & Dougherty 1998). Thus, a multiple holistic design was justified.

3.8. Selection of Cases

This research design involved three cases to identify common features of an external reality. The aim was to identify common themes and causes that were linked to specific outcomes across a small number of cases selected for this purpose (Ragin 1999). That is, to select cases that would provide replication. Within the realism paradigm, replication occurs where the cases are expected to provide similar results or provide different results, because theory suggested they would. These are termed literal replication (similar results) or theoretical replication (contrary results) (Yin 1994; Perry 1998; Perry & Alizadeh 2001). From this, relevance is the criterion for case selection (Stake 1994; Perry & Alizadeh 2001). Figure 3.3 shows the cases used in this research, and the following section justifies their inclusion.

Figure 3.3 Case Study Model, showing the basis for the three cases used for Theoretical Replication



Source: developed for this research

The first step in the process was the identification and selection of a target population. The Colombian coal mining industry was selected and it provides an environment rich in leadership issues and, in particular, effective leadership practice in a dynamic medium with a mix of both expatriate and national managers. There are many unique factors in Colombia which have a significant impact on effective leadership practice. This includes the business environment under which senior executives must function in

order to manage the unique challenges and issues presented in the Columbian context. The target population is the senior executives, both national and expatriate, who are attempting to deal with leadership practice in an environment where there are currently five foreign companies that have invested in large-scale coal mining operations and are exporting approximately 32 million tonnes of coal to the United States of America and Europe. This tonnage will increase to around 55 million tonnes over the next five years requiring a major inflow of capital into Colombia, and the importance of this industry to the Colombian economy cannot be understated in terms of employment, taxes and royalty payments which represent 6.98% of GDP (DNP. 2000). These five foreign companies are producing in excess of 90% of the total coal for export.

The selection of the appropriate number of cases for this case study research was the next decision (Parkhe 1993; Eisenhardt 1989; Yin 1994). It was necessary to take into consideration the premise that the cases should provide the researcher with insights and, at the same time, achieve literal and theoretical replication (Patton 1990; Yin 1989). One opinion is that the number of cases is not as important as the relativity to the characteristics of the phenomena under study (Gummesson 2000). Another is that there is no ideal number, but that there should be at least four cases because theory generation is difficult otherwise (Perry 1998).

For this research study, the population and the sample frame are the same. The sample consists of three cases. There are only three multinational coal mining companies in Colombia and since one of these is privately owned and managed from outside of the country, this company was not included because the managers are all American and work on a fly-in/fly-out basis and all management decisions are made outside of the country. Colombians are not involved in management or leadership roles in this company, so only two were considered representative for the purposes of this study. The third case is represented by collection of the Colombian companies that provide services to these mining companies and interact on a daily basis with the management of the two multinational companies and have developed close business and personal relationships with senior managers and, as such, are ideally placed to interact with and understand the leadership issues within these companies. The planned target population comprises twenty-four people, consisting firstly of three senior expatriate personnel and three senior national personnel from the two multinational coal mining companies currently operating in Colombia. In addition, three Colombian nationals who are partners in

leading Colombian legal and accounting practices and are recognised business leaders with exposure to the business practices of the foreign coal mining companies will provide a different perspective and, finally, two senior personal from the parent multi-national companies who have corporate responsibility/experience with the business issues of the Colombian companies. There are no rules for sample size in qualitative research (Patton 1990), but guidelines suggest four to fifteen interviews in order to cover minimum requirements of data and avoid confusion of too much data (Perry 1998b; Eisenhardt 1989; Miles & Huberman 1984). Thus, the sample size for this study falls well within those guidelines, particularly with a view to constraints of time and costs, and availability of respondents.

This case study model includes the six research issues developed in the respective sections of the relevant literature in chapter 2 and then sets out to investigate and identify what senior executives are doing to practise effective leadership successfully in the context of these six issues in the Colombian coal mining industry, namely, leadership practice, strategic agendas, situational factors, individual factors, change and innovative initiatives, and business ethics and social responsibilities, as shown in Figure 3.3. The prospective interviewees represent a wide spectrum of senior management in the Colombian mining industry and the differences and similarities in the cases create the opportunity to seek replication. The representation from the Colombian coal mining sector within this research project allows input from a senior management perspective, including those who have provided the direction for the development of this industry in Colombia.

Although the bulk of the information was obtained from these groups of national and expatriate senior managers, additional information was also sought from three Colombian nationals who are partners in leading Colombian legal and accounting practices and are recognised business leaders with exposure to the business practices of the foreign coal mining companies, and two senior personnel from the parent multi-national companies. This was done in order to determine if there were any differences in perspective regarding the researched issues, with the intention of taking this into consideration in the analysis of the data.

In qualitative research, the selection of participants is directly related to the quality of the information that the researcher can access from the participants. In addition, the

ability of the researcher to observe and synthesise the information collected will impact directly on the number of participants to be included (Patton 1990). This knowledge firmly placed the selection of participants for this study on a purposeful basis (Patton 1990), with the subjects being selected for their ability to provide valuable information in relation to the study. To achieve this, twelve interviews were undertaken to effectively cover the three cases and there was equal representation from both national and expatriate managers, ranging from middle to senior management. This selection provided sufficient information to identify the different perspectives of the various participants. The balance of the interviews, five in total, were undertaken to assist as a method of using an external perspective to verify the veracity of the survey data being collected from the primary participants.

For the purpose of this research, other factors were considered in the selection and numbers of participants used. The first issue was the scope of the study, which included focusing the topic, and selecting participants for their ability to provide information-rich data. The second issue was the nature of the topic, ensuring that the nature of the topic was clear and concise, the information was easily accessible and the experience of the analyst included. The next issue was the quality of the data being collected, including using data from those who were able to express themselves and the development of strategies for secondary collection. Then, the use of shadowed data, that is, data from other sources than the interviews. In this case, the additional five interviews provided a range of experiences beyond that of the individual senior managers and this was done to determine the rationale of differences. Finally, the number of interviews, and the amount of useable data collected at each interview, was considered. These issues and the sections of the thesis where they were applied are summarised in Table 3.5.

Table 3.5: Factors in Determining Sample Size, with Relevant Section Numbers

Factor	Issues	Sections
Scope of study	• What does it take to reach data saturation? • Focusing the topic once data analysis has started • Relating numbers of participants to richness of data	4.1
Nature of topic	• Nature should be obvious and clear • Information should be easy to collect at interview • The experience of the analyst	3.4 3.7
Quality of data	• Select data from participants who are able to express themselves • Develop strategies for secondary selection	3.7
Study design	• Single groups or individuals • Longitudinal, pre-intervention and post intervention issues	3.7
Use of shadowed data	• Provides a range of experiences beyond that of the individual • Provides evidence for rationale of differences	4.1
Number of interviews	• Number of participant interviews • Amount of useable data provided per interview determines the number of interviews needed.	4.1

Source: developed for this study from Morse (2000); (Patton 1990).

As stated, the population and the sample frame are the same for this research study. A sampling framework aids the researcher to set boundaries, which assist in case definition and seek a sample that reflects the requirements of the research. Within-case sampling can be complex, however, this research requires sampling across national and expatriate managers in order to identify the necessary or preferred interactions.

Setting up a framework that can be used for parameters assists the researcher in sample selection (Miles & Huberman 1994). The framework ensured that there was sufficient information to allow triangulation of the data and thus provide credibility in the research. Moreover, it assisted in focusing on a much wider collection of information because the context in which the individual participants worked became part of the data collection, thus strengthening the contextualisation of the realism paradigm, including the structures and mechanisms that contribute to effective management practice. In brief, the work settings and participants are incorporated into this research.

For this research, the participants were drawn from the management structure of Colombian coal mining companies, both from national and expatriate cultural backgrounds who were then asked to participate in the study. The variety of backgrounds enabled the researcher to obtain views from a variety of perspectives related to the subject. Selection of a cross section of this population provided the researcher with the information-rich data required for the project. Overall, seventeen interviews were undertaken across the three cases. Within each case there is a range of issues that significantly affect this mix of managers. The number of interviews was limited to seventeen because replication was well established and further interviews would not provide additional data. This is well within the range of 10 to 40 considered as the minimum number of cases required according to de Ruyter (1998), and well within the maximum of 60 purported by de Ruyter (1998).

In brief, five main steps for data analysis were outlined in this chapter. Firstly, all three cases were analysed individually to find the apparent patterns within these cases for each of the research questions. Secondly, these patterns and themes were summarised in tables and matrices. Thirdly, all the patterns and themes across the cases were determined and discussed by cross-cluster analysis. Fourthly, the third case is used as a secondary data source to help calibrate the primary data. Lastly, a summary of main findings of each research question is made. Note that theoretical and literal replication based on three dimensions was the basis of case selection, as discussed in section 3.8. These dimensions were the Colombian coal mining industry; nationality of senior executives, that is, Colombian versus expatriates; and effective leadership practice in the context of the six issues which are leadership practice, strategic agendas, situational factors, individual factors, change and innovative initiatives, and business ethics and social responsibilities. However, between companies, the issue of executive leadership practice within the Colombian coal mining industry dimension was not an important contextual influence because the patterns of data from within the Colombian coal mining industry showed no differences between these companies. Having discussed the methods and techniques of data analysis and display, the details of individual cases and case study respondents are discussed next.

3.9. Procedures and Data Collection

This section will outline the procedures used for the collection data for this study. There were three parts to the procedure used: the researcher's actions during interviews, the

research protocol used and the additional sources of data used to supplement the interviews (Yin 1994).

The method of collecting data in a case study is not limited to any one form (Yin 1994). For multiple methods such as interviews—structured and unstructured—surveys, questionnaires, goal attainment scales and participant observation can be used (Gilgun 1994). Furthermore, the data can be both qualitative and quantitative (Yin 1994; Perry & Coote 1994; Gilgun 1994). The ability for the case study methodology to provide a framework for qualitative analysis and the ability to address multiple stakeholder considerations and process issues is aligned strongly with management studies (Larson 1973). The demands of case study research are many (Yin 1994) and this means that the researcher cannot adopt a routine approach to data collection in this qualitative research. However, with close contact to the participants it was possible to understand the interaction between theory and collection of data. It was also possible to undertake preliminary analysis of the data close to the collection time.

During the interviews the researcher was flexible in the ways used to elicit the required information. Some participants required very little prompting, while others needed considerable help. To ensure that the information gathered was providing the information required, an interview protocol was used. The protocol and the researcher's flexibility helped when participants introduced new situations (Teale 1999). The terms used by the participants varied considerably and the researcher had to accommodate these within the data gathering stage. Understanding replication in realism research requires a comprehension of the way that interviews can affect the gathering of data. If different formats are used, the researcher is in danger of influencing the data collected. To avoid this danger it is necessary for the same framework to be used across the cases (Carson et al. 2001; Perry & Alizadeh 2001). The interview protocol was, therefore, used to achieve construct validity by linking the research issues and the questions asked. The first two interviews provided the basis for the development of the preliminary protocol; and the instrumentation was simple to allow the participants the opportunity to contribute their own experiences and thoughts. The first two interviews were undertaken using the preliminary protocol; subsequently, the protocol used for the remainder of the interviews was developed and is provided in Appendix V. The initial questions were open-ended to allow the participants to provide whatever information they felt was important to the subject. Too much structure may result in the data being 'context

stripped' (Miles & Huberman 1994, p. 35) and, therefore, the researcher would be unable to reap the benefits of qualitative contextuality. Subsequent probe questions were asked if the participant had not provided that particular information during the course of the interview. At all times the researcher endeavoured not to ask direct questions, except where the participant had not provided the information required.

The interview guide was useful as it ensured that the researcher maintained focus whilst exploring each case, thereby providing a common structure. In addition it encouraged the researcher to think carefully about the interview process. Finally, it meant that each interview was seeking similar information, which would assist with data analysis at a later stage. The protocol aligned the probe questions with each of the research issues to assist in later data analysis as detailed in Table 3.6 below. The interviews were tape-recorded. However, notes were also taken to enable the researcher to place emphasis on various important parts not discernible from the tapes. The researcher transcribed the tapes personally to utilise the opportunity to reaffirm pertinent points.

To assist in the analysis of the data, some of the probe questions were accompanied by a Likert scale which allowed the participant to rate the importance or otherwise of a particular issue. If participants did not believe that an issue was relevant they were given the opportunity to have that noted as well.

Table 3.6: Research Issues and Relevant Interview Questions

Research issue developed in chapter 2	**Interview questions in the interview protocol**
Open questions to seek the participants overall views on effective leadership practice	4 & 30 - 32
RI 1: How do senior executives in the Colombian coal mining industry describe effective leadership practice?	1 - 3
RI 2: What are the key individual factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?	5 - 9
RI 3: What are the key situational factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?	6 – 8 & 10 - 14
RI 4: How have strategic agendas influenced effective leadership practice for senior executives in the	15 - 19

Research issue developed in chapter 2		Interview questions in the interview protocol
	Colombian coal mining industry?	
RI 5:	How have organisational change and innovation initiatives influenced effective leadership practice for senior executives in the Colombian coal mining industry?	20 - 24
RI 6:	How have business ethics and social responsibilities influenced effective leadership practice for senior executives in the Colombian coal mining industry?	25- 29

Source: developed for this research

When developing these questions, care was taken not to lead the interviewee in a biased fashion. However, in some cases it was necessary to clarify what information was being sought.

Looking at the questions in more detail, the first section—covering six questions—was designed solely to gather general information about the participant. For the second section, the first five questions were again designed to obtain general information about the company environment, and then the next four questions covered effective leadership practice. The questions to this point were intended to make the participant feel comfortable and to give them the opportunity to provide information in relation to the phenomena, in their own words, and without any input from the researcher (Patton 1990). During this period of the interviews some of the participants used these opportunities fully, giving clear accounts of their experiences, whilst others relied far more on the probe questions. Section 3 contained six questions which sought to identify key individual factors that are perceived by senior executives to promote or inhibit effective leadership practice. Section 4 contained four questions designed to gather opinions identifying key situational factors that are perceived by senior executives to promote or inhibit effective leadership practice. Section 5 contained five questions and was structured to enable the participants to identify how strategic agendas have influenced senior executives in terms of effective leadership practice. Section 6, which also contains five questions, was structured to help participants identify how organisational change and innovation initiatives influence effective leadership practice. In section 7, which contained five questions, the process was to enable the participants to identify how business ethics and social responsibilities have influenced effective

leadership practice for senior executives and, finally, Section 8 contains three questions intended to help the participants identify the factors that influence the range of issues of effective leadership practice for senior executives.

All of these questions were designed to determine how senior executive in the Colombian coal mining industry relate to effective leadership practice.

3.10. Data Analysis

The unit of analysis of this research will be the success criteria of the companies. The content analysis will begin with several styles of coding in order to organise the data for retrieval (Neuman 1984; Miles & Huberman 1994). A case study being ideographic creates multiple variables that have to be analysed relating to a single unit (Silverstein 1998, Gilgun 1994). The data analysis process was divided into three phases: data reduction, data display and drawing conclusions (Miles & Huberman 1994). Miles and Hubermans' approach to data analysis emphasises setting up the evaluation process before the data is collected. With pre-constructed research protocols the researcher is able to ensure the collection of appropriate and necessary data for analysis. The aim was to make the qualitative research process manageable and allow the creation of a boundary within which to work, assuring the completion of the project.

The strengths of this process are the ability to explore and summarise the data making sense of its character. During this phase of data analysis, themes and categories are assigned labels. A second pass then focuses on the coded themes to reveal interactions, relationships, and new ideas or areas for coding. The third pass concentrates on comparisons, contrasts, and generalisations. These generalisations are confronted with the existing body of knowledge and theories and then analysed to identify matching patterns (Miles & Huberman 1984), and in flow charts to follow data paths in order to achieve complete, thorough, and high quality analysis of this data by considering *all* the relevant evidence, including all major rival interpretations, addressing the most significant aspects of the case studies, and knowing the subject matter (Yin 1994).

The weaknesses are the possibilities of the exploration being superficial and the potential to close prematurely or provide faulty data. The first step following this phase is data reduction.

Data reduction. The first stage of data reduction is transcription. Transcription can be considered as an integral component of the qualitative analysis of language data and is employed widely in basic and applied research across many disciplines and in professional practice fields (Lapadat & Lindsay 1999). Whilst this is not the method that this research project used, it reinforces the importance of transcription in preliminary analysis of data. The actual process of transcription creates the close attention that the researcher needs in order to develop interpretive thinking in relation to the data (Lapadat & Lindsay 1999). In the realism paradigm it is not essential to consider *all* the perceptions of the participants: it should be limited to only those perceptions that are relevant to the external reality being investigated. These perceptions should be drawn from the conceptual framework as they were in this research (Perry & Alizadeh 2001).

Early examination of pattern matching assisted in data reduction. Yin (1994) suggests that comparison is made between an empirical pattern and one or several predicted patterns. By closely looking at early data from phase one of prior theory development it is possible to identify this and other data patterns and be able to cross-reference them. This method assists the researcher to strengthen the internal validity of the research (Yin 1994).

To extend the example of pattern matching given in the previous paragraph, it was also possible to identify other reasons for appealing to the intellectual interest of clinicians. Professionals find it important to have appropriate information before they will change their approach to both their profession and management (Southon & Braithewaite 1998). This particular type of pattern matching analysis demonstrated above is called ‘explanation building’ by Yin (1994, p. 110). The phenomenon is explained by a number of causal links. In this research the process started by making an initial statement or proposition about policy or social behaviour. This was followed by a comparison of the findings of one case against the statement or proposition. Then the statement or proposition was revised and other details compared against the revision. The process was then repeated against the other cases. This process was undertaken with caution, because it was easy for the researcher to move away from the initial topic. It was important, therefore, for constant reference to be made back to the original topic (Yin 1994).

Pattern matching establishes a set of themes or constructs and this enables the examination of themes *across cases*, as in pattern coding There were four key functions of pattern coding applied this way: reducing data to a small number of analytical units, establishing the analytical process, development of a cognitive map and providing the basis for cross case analysis (Miles & Huberman 1994). For this research, the initial data was reviewed to establish pattern codes. Once these patterns were established, it was easier for data to be managed.

Data display. After data reduction, the next step was data display. Data display is defined as a visual presentation of information, systematically arranged so that the user can draw valid conclusions from it (Miles & Huberman 1994). This process allows the researcher to take the coded extracts from the initial data transcription and then draw conclusions from that data. This was the prelude to the development of the case study report.

Presentation of the data in this project was conducted in two phases, the first being by presentation of the data for each case and, secondly, by cross-referencing of the data. The use of tables to present data utilises a simple and easily understood format, providing a visual picture of the data. This process is dynamic as the data collection continues and information collated; this process will be fully described in chapter 4 which reports on data analysis. However, in this phase of the project the researcher has the opportunity to group data into concepts relating to the immediate discipline of the research aimed at assisting the development of conclusions.

There are three realism guidelines for data display. Firstly, the displays can demonstrate empirical frequencies numerically, followed by textual interpretations to enable the reader to follow the line of reasoning. Secondly, explanations should be given of why the observation occurred and should focus on contingencies, structures and mechanisms. Finally, quotations supporting the deductions should be included (Perry & Alizadeh 2001). For example, in illustrating this method the researcher first puts forward the summary of the picture with reasons for it being included, but without reference to where it comes from. This is followed by the precise basis for the picture. Finally, one or two quotations are included to support the initial statement (Healy & Perry 2000).

Drawing conclusions. The three processes of data analysis were the key to enabling the researcher to draw appropriate conclusions. Throughout the data analysis phase the researcher was able to draw some early conclusions utilising pattern matching, noting themes, contrasting, comparing, clustering and counting (Miles & Huberman 1994), and by supporting the data with quotations (Healy & Perry 2000; Perry & Alizadeh 2001). The final conclusion phase gives the researcher the opportunity to verify conclusions and thereby demonstrate the validity of the research. It also provides an opportunity to obtain feedback from the participants in the research project. However, realism researchers acknowledge the lack of clarity and precision in their research (Perry & Alizadeh 2001). However, the realism paradigm allows the researcher to obtain more information and a more realistic approach than other methods (Healy & Perry 2000).

3.11. Limitations of Case Study Research

This study will only focus on foreign coal mining companies currently operating in Colombia.

In conducting this study, it has also to be acknowledged that there are ‘other’ variables that may influence the success criteria. However, evaluating the model in the proposed study without considering other foreign companies, such as metalliferous mining and oil companies, is still useful because the issues affecting the coal mining companies are also representative of those affecting other foreign companies.

Additionally, the primary limitation to qualitative research is that it is subjective in nature and, as such, the measurement process is dependent on the researcher's selection process (Zikmund 1997). The interpretation of the data is based on judgment, the samples are not representative of the population, and the techniques do not allow for quantitative measurement (Zikmund 1997). Additionally, the data collection tools potentially suffer from severe limitations. For, example, the in-depth interview is very dependent on the skills and abilities of the interviewer (Zikmund 1997). The limitations can be minimised by ensuring that the issues of construct validity, internal validity, external validity and reliability are effectively dealt with throughout the proposed case study (Yin 1994).

3.12. Ethical Considerations

When undertaking research the issue of ethical behaviour and ethical management of the data collected must be considered in order to ensure that the resultant information is representative, without being detrimental to any of the participants. Throughout this research project, protocols were established for both the collection and dissemination of the data. To ensure that the participants would provide accurate and useful data it was necessary to indicate quite clearly that all information given will be treated as confidential to that person and would not be used in a manner that could identify the individual without with their permission. To this end, a letter was provided at the outset of the interview with this information included (see Appendix 1).

The concept of research needs to meet ethical standards surrounding it. There are no clear guidelines provided for ethics in health service research, except those relating to patients undertaking treatment. Because this research project deals with qualitative information in relation to management, it will not encroach on the privacy of individual patients.

In addition, the researcher offered anonymity for the participants in this research project and, as well, during the analysis of the data collected, potential ethical issues were identified and considered. The research project itself did not encroach on the personal or business lives of those involved. However, there was a risk that individuals could recognise their own efforts when reading the finished thesis. If that was so, then others may also recognise them. For this reason, participants were given the opportunity to refuse to allow the inclusion of information that may have identified them. Similarly, all the participants were able to understand how the information collected was to be used and be assured that they can contact either the researcher or their supervisor for clarification. In more detail, health services are interdependent systems and the concept of relational ethics focuses on the issues of respect, attachment and caring, rather than those of formal agreements. An ethical framework that suited this particular research project is described in Table 3.7.

Table 3.7: Ethical Frameworks and Aspects of Research

	Utilitarian	**Deontological**	**Relational**	**Ecological**
Recruitment	Informed consent	Reciprocity	Collaboration	Cultural sensitivity
Fieldwork	Avoidance of harm	Avoidance of wrong	Avoidance of imposition	Avoidance of detachment
Reporting	Confidentiality	Fairness	Confirmation	Responsive communication

Source: developed from Miles and Huberman (1994)

The utilitarian, deontological, relational and ecological approaches to research management represent four key facets of ethics in research (Miles & Huberman 1994), and a combination of these approaches was used in this research. The utilitarian approach ensures that participants are recruited utilising informed consent, the fieldwork is designed to avoid harm and the reporting is approached from a confidential aspect. The deontological approach determines reciprocity in recruitment (that is, both parties stand to benefit). The fieldwork focuses on avoidance of wrong and the reporting is fair. The relational approach focuses on collaboration in recruitment, avoidance of imposition in fieldwork and confirmation in reporting. The ecological approach is concerned with cultural sensitivity in recruitment, the avoidance of detachment in fieldwork and responsive communication in reporting (Miles & Huberman 1994).

3.13. Conclusions

This chapter establishes the foundations for the report. It provides the background information of the study and introduces the research question and research issues relating to effective leadership practice in the targeted environment and identifies issues such as influencing factors, indicators of effectiveness, factors for sustainability and contextual dynamics.

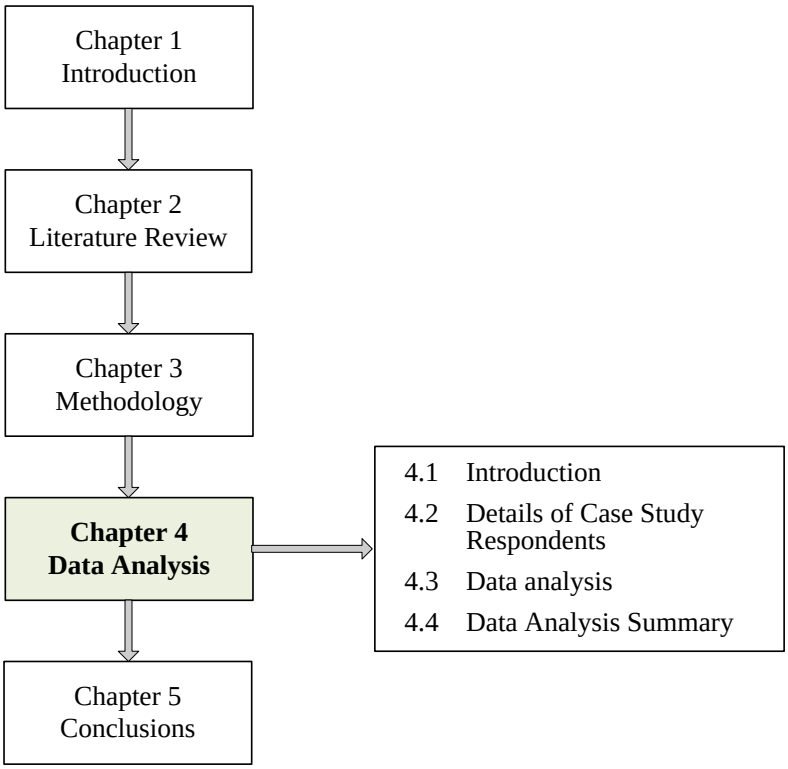
Subsequently, this chapter has provided details of the selection of a research paradigm and the methodology for this research project. It has also indicated how reliability and validity were achieved throughout the data collection phase. In the final sections, the limitations of the study were identified and the ethical considerations that were associated with the project were discussed. On these foundations, the report proceeds with a detailed description of the research. The next chapter (chapter 4) discusses data collection and data analysis.

4. DATA ANALYSIS

4.1. Introduction

While the previous chapter described the research design and methodology used in this study, the purpose of Chapter 4 is to present the findings from the data that relates to the six research issues. Chapter 4 comprises four main parts: first are the details of the case study respondents and a summary of the cases in this research (section 4.2), followed by the detailed analysis of the data for the research issues (4.3) and, finally, a summary of the findings of the six research issues (4.4).

Figure 4.1 Outline of the Data Analysis, with section numbers noted



Chapter 3 described the method of data collection used in this study and this chapter presents the findings from the data that relate to the six research issues summarized in the concluding section (section 2.9) of chapter 2. The data interview method is presented, along with how the data relates to the research questions. Additionally, a cross-case analysis is conducted with the aim of identifying the key themes and patterns in the data across cases and to identify the key attributes and their relationship to the research questions and issues.

The research study into how senior executives in the Colombian coal mining industry relate to effective leadership practice was guided by the following six research issues:

RQ1: How do senior executives in the Colombian coal mining industry describe effective leadership practice?

RQ2: What are the key individual factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

RQ3: What are the key situational factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

RQ4: How have strategic agendas influenced effective leadership practice for senior executives in the Colombian coal mining industry?

RQ5: How have organisational change and innovation initiatives influenced effective leadership practice for senior executives in the Colombian coal mining industry?

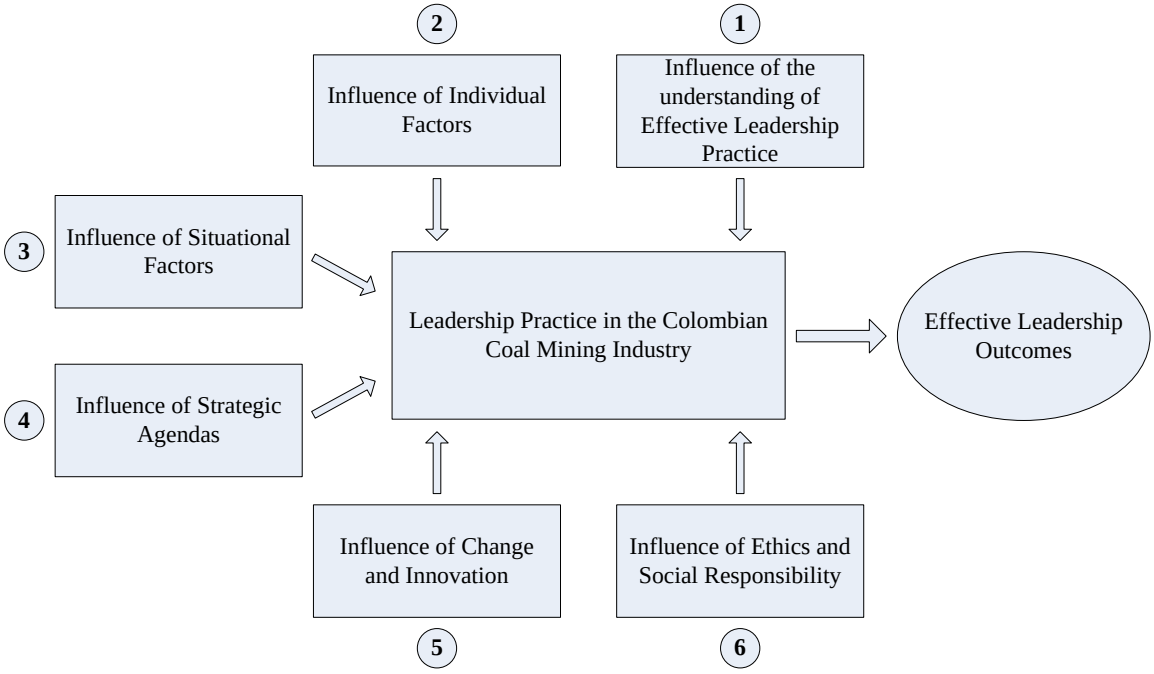
RQ6: How have business ethics and social responsibilities influenced effective leadership practice for senior executives in the Colombian coal mining industry?

Chapter 2 presents the findings of these research issues. Chapter 5 will then discuss these findings and present conclusions within the context of the literature and their implications for both theory and practice.

For convenience, the research question is conceptualised in terms of the relationship of the six research issues in Figure 4.2.

In this section the data from each of the interview questions is analysed using cross-cluster analysis and displayed in terms of tables where appropriate. The question numbers within each section are noted so as to identify which questions were answered in a particular section.

Figure 4.2 Effective Leadership Practice in the Colombian Coal Mining Industry



Source: produced for this study

After a detailed and intensive *content analysis* of interview responses, documents and field notes, matrices were developed from respondents' responses to interview questions (Miles & Huberman 1994). These are presented in figures and tables by ticks and numbers. The numbers or ticks in each cell of the tables represent levels of importance, and the total of these ticks or numbers in the column or row of the table indicates the degree of importance of each factor. Since these levels are based on semi-structured interviews and not on a more structured statistical survey instrument, they indicate only the *approximate* measure of the importance. The interview questions were developed in order to identify the interviewees' understanding of the six research issues and the relationship of these research questions to those research issues is identified in the Case Study Interview Matrix located in appendix I. The actual survey instrument is contained in appendix II, while the covering letter for the surveys in found in appendix III.

4.2. Details of Case Study Respondents

The three cases were selected in order to achieve theoretical and literal replication, as detailed in section 3.8. These cases were assigned codes to maintain their anonymity. Each of these three cases consisted of multiple interviews: a total of 24 interviews were conducted. These included two sets of ten and nine interviews respectively with both national and expatriate managers of the two participating organisations, and one set of

five interviews with senior executives of support organisations who work closely with the senior executives of the coal industry. This process facilitated triangulation of evidence. Detailed information of all the three cases is kept in the case study databases, including interview transcripts, interview tapes, computer files and copies of all the relevant documents. These are available from the researcher on request.

This section provides a brief background to the three cases so as to set the scene for the later analysis of the research questions in section 4.3. A brief overview of each case should be the first step in case study data analysis (Patton 1990) because it provides background information for the second step of the analysis of research questions and the more important *cross-cluster* analysis. This cross-cluster analysis that starts in section 4.3 is more preferred than within-case description because it illuminates explanations and investigates the context of phenomena (Yin 1994). That is, individual within-case analysis should precede cross-cluster analysis (Carson et al. 2001; Miles & Huberman 1994). Since the purpose of this within-case analysis is merely to provide background information for the analyses of research questions in the subsequent sections, only minor comparisons are made here to investigate the variations among individual cases. Thus, only a short description of each case is presented in this section as recommended by Carson et al. (2001).

In order to satisfy ethical considerations (discussed in 3.11), the cases are referred to as case A through to case C and the respondents' names have been removed, as shown in tables 4.2 to 4.5.

These tables also contain the following details of the respondents:

- to which case the respondent belongs;
- the number of respondents;
- the respondent's country of origin;
- the respondent's company;
- the type of industry the respondent belongs to;
- the size of the organisation;
- company ownership;
- whether multinational or Colombian; and
- Respondents' titles.

The case identification codes are shown in table 4.1 below and the interview codes are shown in table 4.2 below.

Table 4.1: Summary of Cases in this Research

	Expatriates	**Nationals**	**Totals**
A	5	5	**10**
B	5	4	**9**
C		5	**5**
	10	**14**	**24**

Source: produced for this study

The purpose of the interview codes is to preserve the anonymity of the respective groups and the confidentiality of the interviewees.

Table 4.2: Interview Codes

Cases	**Description**
A	Multi-national Mining Company
B	Multi-national Mining Joint-Venture Company
C	Support organisations

Cross-Clusters	**Description**
E	Expatriates
N	Nationals
SE	Senior Executives
Ex	Executives

Source: produced for this study

Table 4.3 sets out the unique identifiers used to track the responses of each of the respondents and still maintain confidentiality.

Table 4.3: Summary of Respondents in this Research and the Coding Applied

Case A	Case B	Case C
A1E	B1E	C1N
A2E	B2E	C2N
A3E	B3E	C3N
A4E	B4E	C4N
A5E	B5E	C5N
A6N	B6N	
A7N	B7N	
A8N	B8N	
A9N	B9N	
A10N		

Source: produced for this study

A summary of the respondents by case, country of origin and organisation, is presented in table 4.4 below and an analysis of the respondents' appointment profile is included in table 4.5.

Table 4.4: Summary of Respondents in this Research by Case and Country

Case (1)	Number of Respondents (3)	Country of Origin (2)	Respondent's Company (4)	Types of industry (5)	Size/no. of employees (6)	Company Ownership (7)	Colombian/ Multinational (8)
A	5 3 2	Colombia Australia United States	Multi-national Mining Company	Coal Mining	1500	Glencore	Multinational
B	4 1 4	Colombia Switzerland South Africa	Multi-national Mining Joint-Venture Company	Coal Mining	4500	Glencore, BHP Biliton & Anglo-coal (33% each)	Multinationals
C	3 1 1	Colombia Colombia Colombia	Senior Colombian Legal Firm National Legal Firm Lawyer/Lobbyists Consultancy	Lawyers Lawyers Consultant/ Lobbyist	165 2 2	Private Private Private	Colombian Colombian Colombian
Total	24						

Source: produced for this study

Table 4.5: Summary of Respondent Appointment Profile

Category	Respondents' Title	Count	**Percent**
President & Vice-Presidents	President	3	25%
	Vice President Operations	1	
	Vice President Finance	1	
	Vice President Legal	1	
	Subtotal	**6**	
Managers	Mine Manager	1	42%
	Administration Manager	1	
	Operations Manager	1	
	Deputy Manager	1	
	Finance Manager	1	
	Administration Manager	1	
	Business Development Manager	1	
	Contract Manager	1	
	Project Manager	1	
	Manager	1	
	Subtotal	**10**	
Engineers	Senior Mining Engineer	1	21%
	Engineer	4	
	Subtotal	**5**	
Lawyers	Lawyer – Senior Partner	1	13%
	Lawyer	2	
	Subtotal	**3**	
Total		**24**	100%

Source: produced for this study

Case A is group of national and expatriate senior executives who have managerial and operational responsibility for the day-to-day administration of a multi-national mining company's operations located in Santa Marta, Barranquilla, Calenturitas and La Jagua. Prodeco's port operations are located at Puerto Zuñiga; the Calenturitas and La Jagua Mines are located in the La Loma province which is in the state of Cesar in the interior of Colombia approximately 220 km from the port. This operation is currently producing 4.5 mpta and is in an aggressive expansion program to expand its operations to produce up to 15 Mtpa. The mines currently employ approximately 650 people directly and a similar number indirectly. The company's port, located at Puerto Zuniga near Santa Marta, handles buy-in coal from the La Jagua mines in Cesar, as well as Calenturitas where the mine started production in 2004. The port employs approximately 200 people directly and a similar number indirectly.

The parent company is a diversified industrial and commodity trading and investment group with more than 50 offices in over 40 countries and is the largest trader in most commodity groups where it is active with an annual turnover in excess of US$44bn and with significant industrial assets to support its core business. The commodities that this company trades in are oil, aluminium/alumina, copper/nickel, lead/zinc, ferro-alloys, coal, grains and sugar. They are the world's largest exporter of thermal coal. The total seaborne thermal coal trade is 442 Mtpa with the total controlled by the company being 142 Mtpa. Glencore continues its commitment to expanding marketing activities by active investment in mining, infrastructure projects etc. The company owns, either wholly as part of joint ventures or through equity interests, 11 mines in Australia, 14 mines and 21% of the Richards Bay Coal Terminal in South Africa, and two mines and a port in Colombia.

Case B is group of managers comprising a mix of national and expatriate senior executives located in Barranquilla and at the Cerrejon Mine, which is located close to the Venezuelan border, who have administrative and operational responsibility for the day-to-day administration of the multi-national mining joint-venture company's mine and port operations located in the Guajira area adjacent to the Venezuelan border.

This multi-national mining joint-venture company is a joint venture of three of the largest mining companies globally and each party owns 33%. This operation is currently producing 28 Mtpa and the total investment, to date, exceeds US$ 1.2 billion. The shareholders define the overall policies and targets of this company. The three global mining companies are able to provide access to extensive management and technical expertise and best practices. The company employs 4,000 people directly and a similar number of people are engaged as contractors.

Case C is the group of managers located in Bogotá from support organisations who interact on a daily basis with the management groups from both organisations and their respective sites identified above. These executives know the organisations and their operations very well and provide support and advice on the areas of tax, commerce, legal issues and transportation, and also provide valuable access to the various Colombian political and government entities. They constantly interact with both national and expatriate senior executives.

Additionally, there are two groups, the expatriates and nationals (E and N), who make up the management teams of both organisations identified as case A and case B above which, while they cannot be considered as separate organisational groups for the purposes of this research, can be considered as cross-clusters. In addition, there are two other groups which can also be considered as cross-clusters and they can be defined in distinct groups, senior executives and executives (SE and Ex).

4.3. Data Analysis

In this section, the research issues are discussed for each of the three cases, that is, the two mines and the support organisations. In the discussion and within each case there are two imbedded cases which are expatriates and nationals, as well as executives and senior executives, that will be contrasted. When direct quotations from participants are given in this chapter the interviewee code will be used and included will be the individual question response number of the record of interview that is held in the investigation database.

4.3.1. Research issue 1: How do senior executives in the Colombian coal mining industry describe effective leadership practice?

This first research issue is concerned with the interviewees' perceptions of effective leadership practice. The answer to this research issue has been derived from the responses to questions 1, 2, 3, 4 of the survey and further information was obtained from supporting interview questions 30, 31 and 32 shown in Appendix II. Examples using quotes from interviewees *A1E, A2E, A3E, A5E, A7N, A8N, A9N, B2E, B3E, B6N, B7N, C1N, C4N, C5N, C6N,* were used to reinforce the list of attributes identified in regard to determining the understanding of what is effective leadership practice.

The analysis of the interviewees' responses was used to discover a common trend in the determination of the executives' understanding of effective leadership practice in the context of the Colombian coal mining industry and in determining what common attributes in terms of this understanding exists in the context of the various aspects of effective leadership practice that had been identified in the model described in Figure 4.2. While the analysis did not necessarily seek consensus amongst all the interviewees on their understanding of executive leadership practice, the analysis did seek to determine the range of beliefs commonly held and to identify any issues unique to this group of interviewees.

In considering the above data sources, a number of attributes relating to the concept of executive leadership practice emerged and these are listed below in Table 4.6 for each of questions 1, 2, 3 and 4.

Table 4.6: Main Attributes Relating to the Concept of how Executives in the Colombian Coal Mining Industry describe Effective Leadership Practice

No	Attributes	Cases			Cross-cluster Analysis			
		A	B	C	E	N	Se	Ex
1	Employee commitment and involvement	2	6	5	2	11	7	6
2	Political and cultural astuteness	3	5	4	4	8	5	7
3	Identifying and accomplishing goals	2	3	3	1	7	6	2
4	Ability to communicate	5	1	2	4	4	0	8
5	Required mindset	3	4	0	3	4	4	3
6	Empowerment	0	2	2	1	3	3	1
7	Managing change	0	2	1	0	3	3	0
8	Maximising benefits for key stakeholders	1	1	0	2	0	1	1

Source: produced for this study

The numbers shown in table 4.6 above indicate the number of interviewees who identified a particular attribute as important. For example, in the case of the first attribute, 2 interviewees from case A, 6 interviewees from case B and 5 interviewees from case C identified this attribute in relation to what they believe constitutes the concept of how senior executives in the Colombian coal mining industry describe effective leadership practice. Of these 13, a cross-cluster analysis identified 2 as expatriates and 11 as nationals and within this same group 7 were senior executives and 6 were executives.

The results indicate that the interviewees identified 8 main attributes that constitute effective leadership practice in the Colombian coal mining industry and these are listed and discussed below.

Attribute 1: Employee commitment and involvement. The interviewees identified that the most significant attribute was employee commitment to obtaining goals and the

alignment of personal with company goals and objectives. This required positive foresight, motivation and the delegation of authority and responsibilities to the employees by senior executive management to enable and encourage them to challenge processes to obtain continuous improvement and this, in turn, should foster a sense of ownership and belonging. Of the 24 executive managers interviewed 79% identified employee commitment and involvement. The executives in case B represented 42% of the interviewees who identified this attribute, followed by 37% for case C and 21% for Case A. When looking at cross-cluster analysis of this data, 84% of those who identified this attribute were nationals and 58% were executives. From this cross-section analysis it can be seen that it was the majority of Colombian national executives who identified this attribute over expatriate senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of three of their responses:

- *Motivation, commitment for obtaining goals, positive foresight, personal alignment vs. company goals, ownership and belonging. [A9N]*

- *All organisations respond to leadership. When the leadership practices are efficient, the organisation knows it is being well led: "Motivation, communication, and proper corporate atmosphere" are the key elements to "happy companies". [C4N]*

- *Setting appropriate strategies, effective communications, teamwork and developing trust and understanding. [A2E]*

Attribute 2: Political and cultural astuteness. The interviewees identified that the next most significant attribute was the correct use of political and economic power, political awareness and compliance with the law. An integral part of this in Colombia is the development of good community relations and this requires an awareness and acceptance of local culture and behaviour, as well as local business relationships. This attribute, which was identified by 63% of the participating 24 executives, was considered to be the second most significant attribute with regard to successful executive leadership practice. The executives in cases B and C each represented 40% of the interviewees who identified this attribute, followed by 20% for Case A. When looking at cross-cluster analysis of this data, 73% of those who identified this attribute

were nationals and 53% were executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses;

- *The main issues in relation to effective leadership practice are: Technical, human resources, communities, security, relations with government and environment. Paradoxically, the technical issues are relatively easy to solve, when you have three shareholders of the calibre that Cerrejon has (BHP, Anglo and Glencore). Getting the best people and retaining them is always a big issue. At Cerrejon we do a thorough benchmarking—with the best paying 10 companies in Colombia. Having a bilingual school, among the best in the Caribbean region, is also a crucial retention factor. Working with our neighbouring communities will always be a great challenge. Security is also a big issue in Colombia; the balance between having good relations with the Colombian military, within an institutional framework and fulfilling human rights international principles. Government relations are one of the main issues a CEO in Colombia faces; we deal with 8 Ministries and 17 state owned companies. And everything related to the environment, its impact both nationally and internationally is also a big issue. [B6N]*

- *Senior executive positions held mainly by expatriates. Project development and organisational change highly driven by international market conditions. Awareness of political, social and economical conditions in Colombia and in the specific regions of influence of the company. Internal and external communication. [C1N]*

- *Normally the mining industry is managed by foreign firms and there are problems such as language barriers, management style, processes, cultures that both parties have to understand and follow to get along with. [A7N]*

- *Treatment of expatriate vs. Colombians dealing with various cultures, dealing with Colombian business practices, i.e., everything can wait until tomorrow; job titles and egos, safety.[A5E]*

- *By setting strategic agenda. Developing teamwork, communications. Emphasizing business ethics and social responsibility. Lead by example. [A2E]*

Attribute 3: Identifying and accomplishing goals. The ability to create an environment where an organisation is willing and focused towards accomplishing its goals was considered to be the third most significant attribute with regard to successful executive leadership practice. This attribute was identified by 33% of the participating 24 executives. The executives in cases B and C each represented 33% of the interviewees who identified this attribute, followed by 24% for Case A. When looking at cross-cluster analysis of this data, 88% of those who identified this attribute were nationals and 75% were senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses;

- *An organisation which has a common purpose and allows employees to achieve personal success and growth by achieving company goals. [A1E]*
- *Will foster a positive atmosphere in the company where everybody understands where we are going and has the opportunity to contribute. [A8N]*

Attribute 4: Ability to communicate. This attribute was also identified by 33% of the participating 24 executives. They considered that the ability to communicate real goals and challenges, the timely feedback to the people and the level of credibility which exists in regard to the way that executives are viewed within the organisation was considered to be the fourth most significant attribute with regard to successful executive leadership practice. The executives in case A represented 63% of the interviewees who identified this attribute, followed by 24% for Case C and only 13% for case B. When looking at cross-cluster analysis of this data at 50% each, equal numbers of expatriates and nationals identified this attribute. It is also noted that no senior executives identified this attribute—only the executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses;

- *Promote good and open communication, measure and monitor all targets, reward good performance. Provide time and availability for problem solving and for staff development. [A3E]*
- *Written communication, Open accessibility, involving members of the team, decision making, relaxed planning, well communicated. [A3E]*
- *Development of good communications, teamwork, establishment of strategies and objectives and the communication of these. [A2E]*

Attribute 5: Required mindset. Of the 24 executives interviewed, 29% identified that effective leadership required a specific mindset which directly impacts upon leadership behaviour and for senior executives to be a leader they require a set of principles fundamental to making decisions in a leadership role and the ability to demonstrate their convictions by leading by example. Only the executives in case B at 57%, followed closely by 43% for case A, of the interviewees identified this attribute. When looking at cross-cluster analysis of this data 57% of those who identified this attribute were nationals and 57% were senior executives. From this cross-cluster analysis it can be seen that marginally more of the Colombian national executives identified this attribute than expatriate senior executives. The various interviewees who identified this attribute demonstrated an understanding of this issue in the following examples of their responses;

- *The main issue for senior mining executives in Colombia is to remain close to their business. The power and status that is attached to senior positions in Colombia have a tendency to create a President that is remote from the average employee. This power and status attached to senior positions tends to discourage employees from voicing their opinions and challenging the opinions of their bosses. [A1E]*

- *I would reply that the main issues "in senior executive leadership practice in the Colombian Coal Mining Industry" are the same as in any other industry, or any high level decision making position in Colombia or any where else in the world. These are basically running a company in an efficient manner as to produce the most quantity of money for their shareholders, while paying fair wages to the employees, fair compensation to purveyors, complying with the law (specially in environmental affairs) and in general, keeping a happy community. I would add two (or more) caveats that would be common to a third world country, and substantially modify my answer: 1.- The concentration of "economic" power held by the senior management of the coal mining industry in Colombia, because of the great amount of money (taxes, salaries, publicity, etc.) they generate, grants such individuals, powers that are beyond the expectations of similar positions in countries such as United States, Australia or South Africa; 2.- The "political" power held by an executive of a coal mining company in Colombia grants them the possibility of intervening in appointments of all types*

of elected officials (from city to national levels) allowing the individual, or collectively, the company to wage great power. With the above in mind, the questions surrounding the deportment of a mining company executive are more related to his moral character and his fairness in running affairs which are in some ways "outside" of his normal work responsibilities. [C4N]

Attribute 6: Empowerment. Of the 24 executives interviewed, only 17% identified that effective leadership required that they work together and empower their employees to make a difference by providing the decision-making authority to do so, as opposed to encouraging involvement through participation as identified in attribute 1. In doing this, they need to identify the needs and goals of their employees and to provide high standards of training and development. They need to remain open to change and allow their subordinates the leeway to implement good ideas while being tolerant of honest mistakes. Both the interviewees of cases B and C, at 50%, identified this attribute. When looking at cross-cluster analysis of this data, 75% of those who identified this attribute were nationals and senior executives. From this cross-cluster analysis it can also be seen that the majority of those that identified this attribute were Colombian national senior executives and only a smaller percentage of expatriate executives (at 25%). The various interviewees who identified this attribute demonstrated an understanding of this issue in the following examples of their responses;

- *Empowerment. Identification of employees' needs and goals. Appropriate conveyance of company's purpose, objectives and goals. Cultural awareness. Adequate communication. Political awareness. [C1N]*

- *Remain open to change. Allow subordinates the leeway to implement good ideas. Allow honest mistakes without severe repercussions. Make all personnel responsible for their actions. [A5E]*

Attribute 7: Managing change. Of the 24 executives interviewed, only 13% identified that for effective leadership to occur they must be able to manage change and have a set of effective problem solving skills. Their responses indicated they also need to be able to understand and manage external factors such as poverty in the local communities within the zone of influence of their operations, and within their employees who come from these communities and most likely support large extended families as there is an excessively high level of unemployment in Colombia. The executives of case B at 67%

followed by 33% for case A identified this attribute. When looking at the cross-cluster analysis of this data, all of those who identified this attribute were Colombian nationals and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses;

- *(1) Deal with changing conditions legal and economics, (2) looking for a permanent way and innovative solutions to problems, (3) ability to deal with other factor (externalities) outside of business, i.e. poverty/public safety. [C5N]*

- *Without effective leadership practice, organisations will stagnate at best or go backwards. Effective leaders are required to avoid organisational paralysis, the invasion of poor ethical practices and are necessary for the development of innovative strategies designed to increase output and reduce costs, all the time maintaining best safety practices.[B3E]*

Attribute 8: Maximising benefits for key stakeholders. Only 8% of the 24 executives interviewed identified that effective leadership required that they have an obligation of providing the best return for the shareholders, while recognising the needs of the other stakeholders by, for example, paying fair wages to the employees and fair compensation to suppliers. The executives of cases A and B equally identified this attribute. When looking at the cross-cluster analysis of this data, all of those who identified this attribute were expatriates and, of those, half were senior executives and half were executives. An understanding of this issue by the various interviewees who identified this attribute is demonstrated in the following examples of their responses;

- *Consistency and delivering value to stakeholders as well as shareholders. If considered to be ethical then trust is built. "Ethical" business has a strong potential for growth particularly in an international arena. In discussion the effective leader improves shareholders' value through use of all resources, particularly people. If managers cannot get buy-in then, value is limited. Hence all levels of management, not just senior, need to improve effective management. Efficiency and productivity of people are improved. Capital assets more productive. Wastage reduced. Shareholder and stakeholder value increased. [B2E]*

- *Would reply that the main issues "in senior executive leadership practice in the Colombian coal mining industry" are the same as in any other industry, or any high level decision making position in Colombia or anywhere else in the world. These are basically running a company in an efficient manner as to produce the most quantity of money for their shareholders, while paying fair wages to the employees, fair compensation to purveyors, complying with the law (specially in environmental affairs) and in general, keeping a happy community. I would add two (or more) caveats that would be common to a third world country, and substantially modify my answer: 1.- The concentration of "economic" power held by the senior management of the coal mining industry in Colombia, because of the great amount of money (taxes, salaries, publicity, etc.) they generate, grants such individuals, powers that are beyond the expectations of similar positions in countries such as United States, Australia or South Africa; 2.- The "political" power held by an executive of a coal mining company in Colombia grants them the possibility of intervening in appointments of all types of elected officials (from city to national levels) allowing the individual, or collectively, the company to wage great power. With the above in mind, the questions surrounding the deportment of a miningcCompany executive are more related to his moral character and his fairness in running affairs which are in some ways "outside" of his normal work responsibilities. [B7N]*

4.3.2. Summary

The questions presented in the survey were seeking to determine executive understanding of effective leadership practice in the context of the Colombian coal mining industry and what common attributes in terms of this understanding existed. The survey questions sought to address the issues of what constitutes effective leadership practice, the understanding of effective leadership practice, and why there should be effective leadership practices.

The analysis of the responses relative to RI 1 found a number of common attributes that emerged in regard to the level of understanding shown by the interviewees of effective leadership practice, and these were *employee commitment and involvement*—identified by 79% of interviewees*;, political and cultural astuteness*—identified by 63%*; identifying and accomplishing goals*—33%*; ability to communicate*—33%*; required mindset*—24%*; empowerment*—17%*; managing change*—13%*; and maximising*

benefits for key stakeholders—8%. The responses to the questions in the survey also reinforced this trend.

Other key issues identified related to the specific environment of large multinational companies working in a third world country, namely, the correct use of political and economic power, political awareness, complying with the law and good community relations, managing external factors (i.e. poverty/public safety). Additionally, paying fair wages to the employees, fair compensation to suppliers, awareness and acceptance of local culture and behaviour and local business relationships were considered important in terms of effective leadership practice.

Then there were the universal attributes identified as effective communication, motivation, empowerment, commitment, alignment of personal and company goals, ownership and belonging, as well as managing change and effective problem solving.

4.3.3. Research issue 2: What are the key individual factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

This second research issue seeks to determine what the interviewees identify as the key individual factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry. The answer to this research question has been derived from the responses to the following questions: 5, 6, 7, 8 and 9 and secondary supporting questions 4, 10, 11, 12, 13, 14, 30, 31 and 32 shown in Appendix IV. Examples using quotes from interviewees A1E, A2E, A3E, A5E, A6N, A7N, A10N, B1E, B2E, B3E, B5E, B6N, B8N, C1N, C4N, C5N were used to reinforce the list of key individual factors identified in regard to determining the understanding of what is effective leadership practice.

The analysis of the interviewees' responses was used to discover a range of factors to assist in the determination of the executive's perception of this second research question and in identifying the common key individual issues and the understanding that exists in the context of the various aspects of effective leadership practice that had been identified in the model described in Figure 4.2. While the analysis did not necessarily seek consensus amongst all the interviewees on their understanding of the key individual factors, the analysis does seek to determine the range of beliefs commonly held and to identify any issues unique to this group of interviewees.

In considering the above data sources, a number of issues relating to the concept of the key individual factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry emerged and these are listed below in Table 4.7 for each case.

Table 4.7: Main Attributes Summary Relating to the Concept of Key Individual Factors that are perceived by Executives to Promote or Inhibit Effective Leadership

No	Key Individual Factors	Cases			Cross-cluster Analysis				
		A	B	C	E	N		Se	Ex
1	Knowledge and understanding of cultural differences	8	8	4	8	12		8	12
2	Communication and recognition of language issues.	10	5	4	8	11		7	12
3	Need to be focused and results oriented.	5	4	1	3	7		4	6
4	Education and training.	3	4	3	5	5		6	4
5	Motivation and participation.	2	5	1	5	3		4	4
6	Delegation and empowerment.	2	1	3	2	4		2	4
7	Ethical behaviour.	0	4	1	3	2		4	1
8	Responsibility and accountability.	2	1	0	3	2		4	1
9	Concept of time and effective time management.	1	0	1	1	1		1	1

Source: produced for this study

Key Individual Factor 1: Knowledge and understanding of cultural differences. This was the key individual factor that most of the 24 senior executives and executives interviewed identified. A total of 83% stated that a lack of knowledge and understanding of cultural differences was a key factor that was perceived by senior executives to impact on effective leadership. Additionally, there was found to be a need to have conciliation, open operating structures, and openness to input by others, as well as the need for patience, understanding and tolerance. The executives in cases A and B each represented 40% of the interviewees who identified this key factor, followed by

20% for case C. When looking at cross-cluster analysis of this data, 60% of those who identified this key factor were nationals and 60% were executives. This factor was identified by more of the interviewees than any of the subsequent factors discussed later in this section. From this cross-cluster analysis it can be seen that it was the majority of Colombian national executives who identified this key individual factor over both expatriates and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses;

- *There is still quite a bit of misunderstanding which hinders effectiveness and efficiency in the day to day business. Not understanding differences may result in (perceived) or real insults, which makes it difficult to work together. [B1E]*

- *Cultural differences definitely impact not only the mining but all industries. In Colombia as a Latin American country (underdeveloped) people are not used to certain types of behaviour. Expatriates are normally very direct, which is sometimes understood as a lack of politeness. [A7N]*

- *Language and culture are the key barriers. Too many expatriates have been ineffective over the years and many are simply the best expatriate available rather than the best man for the job. This has generated a level of disrespect. [A1E]*

- *The local customs and culture must be respected and must be taken into account in the development of any organisation. [A1E]*

- *In general terms, leadership qualities are "there"; cultural difference apparently is not an element to be considered, yet in my very long experience as a Colombian Native, raised in the USA (until age 15, and then post-graduate legal schooling in the USA, and married to an American for 30 years), with very good knowledge of languages, working in or with multinational companies (Exxon, Citibank, Glencore), I have seen many examples of "lack of leadership qualities" in cross cultural work relations. Reverting to Orwell's "Animal Farm", "All animals are created equal, some are more equal than others". Cultural differences in Colombia are sometimes subtle and sometimes very obvious. These cultural differences arise not only between foreign managers and local workers; but also between individuals with the same language,*

nationality, but from different regions of the country. The answer for the foreign manager, in my view, is to try to learn as much about the culture; try to learn what aggravates the local, avoid such negative conduct at all cost. Other than that, be yourself. Exercise your leadership qualities from your own perspective; do not try to "become native" or impose your cultural characteristics, on others, as in every other situation, avoid delicate topics such as "religion, politics, and company personnel issues". It is very easy for a foreigner to entangle himself with an employee. At that moment, all leadership issues simply dissolve. [C4N]

Key Individual Factor 2: Communication and recognition of language issues. Interviewees identified that communication and the recognition of language issues was the second most significant key individual factor and was identified by 79% of the participating 24 executives. Communication was seen to exist at multiple levels within these organisations and is, for example, not limited to directives from senior executives down through the organisation but is also about listening to people's ideas and allowing them to be heard and to participate; it is about speaking frequently with people at all levels within the workforce and trying to resolve their concerns, ideas, asking others and listening to the way they see us. There was also identified the need to recognise that language was an issue and this was not only limited to the level of proficiency of expatriates in Spanish and nationals in English, but also the differences in what is said and what is understood based on culture and background experience. The executives in case A and B represented 53% and 26% respectively of the interviewees who identified this key factor, followed by 21% for case C. When looking at cross-cluster analysis of this data, 58% of those who identified this key factor were nationals and 63% were executives. From this cross-cluster analysis it can be seen that it was the majority of Colombian national executives who identified this key individual factor over both expatriates and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *You need to convey your message in a clear and concise way. Workers need to understand why management does things, even if they are difficult or painful. Leaders who can't articulate a way forward—again, from this years objectives, to the medium term expansion, to the future of the mine—who can not transmit this to all workers, will inhibit effective leadership practice. [B6N]*

- *Communication/language. Cultural differences/adaptation to the environment. Empowerment. Involvement of mid/low management in decision making. Constant Feedback. Awareness of the overall background. Awareness of regional/local differences. Team Work (adequate). Horizontal corporate relations. [C1N]*

- *The short, the medium and the long term objectives need to be known and shared by all the different levels of the organisation, by our 4,300 workers. We need to spread the message in a unified and consistent way. For this to happen, all of senior management needs to be on board, needs to be convinced of why we do things, of where we are going. [B6N]*

- *By breaking down the barriers of power in a Colombian organisation and ensuring good communication between the top of the organisation and the rest of the business. At the same time, it is important to take into account the South American cultures and not impose a set of values that are totally inconsistent with that culture. [A1E]*

- *Non communication on important issues leads to wrong decisions, insufficient time allocated to review issues and setting and reviewing budgets and controls. [A3E]*

- *By communicating to groups of people our own ideas and then allowing them to do so as well. By speaking frequently with people who work for us, trying to clear concerns, ideas, etc., and by asking others and to listen about the way they see us. [A6N]*

Key Individual Factor 3: Need to be focused and results oriented. This key individual factor was identified as the third most significant by 42% of the 24 executives interviewed. They responded that there was a need to be focused and results oriented. In order to achieve this they identified the requirement to establish and explain the company's objectives and demonstrate tolerance in allowing employees to achieve these objectives. The executives in case A at 50%, followed by 40% for case B and 10% for case C of the interviewees identified this factor. When looking at cross-cluster analysis of this data, 70% of those who identified this key factor were nationals and 60% were executives. From this cross-cluster analysis it can be seen that significantly more of the

Colombian national executives identified this key individual factor than expatriate senior executives. The various interviewees who identified this factor demonstrated an understanding of this issue in the following examples of their responses:

- *Accountability—that is to be responsible for results of decision made, and result oriented—explaining what the objective is and allowing me to find a way to achieve the objective. Giving the correct direction clear role description and giving the tools to the people. Why—if people are clear and compromised, the results will arrive. [A10N]*

- *I think that competence is one of the key factors to promote effective leadership, because if we have people well selected and doing the works for which they have been prepared is more possible to reach the goals and the proposals, other important factor is the sense of the team, in industries like the mines work is almost impossible if you don't work like a team, because always your participation is only a piece in the puzzles of the final result, like tonnes and quality. [B8N]*

- *Colombian business in the past has been family orientated and also class distinct and thus basis theme is a need to move to a more merit based system, and also a more "participative" style of leadership would be of benefit. [B2E]*

Key Individual Factor 4: Education and training. The need to invest heavily in education and training due to lack of experience on the part the national workforce was identified by 42% of the participating 24 executives. The executives in case B represented 40% of the interviewees who identified this key individual factor followed by 30% for each of Cases A and C. When looking at cross-cluster analysis of this data both expatriate and national executives—equally at 50% each—identified this factor as significant. This key factor was identified because neither the executives nor the workforce in Colombia have any significant exposure to large scale mining operations and the background of the majority of the workforce is rural subsistence agriculture. The nationals at all levels are willing and focused towards acquiring the necessary skills. They only have to receive the necessary education and training. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Leading and coaching role, applying new (multi-national) management style, building and maintaining the team and motivation and developing the individual. [B1E]*

- *We have introduced at Cerrejon a list of high potential, relatively young professionals. We are monitoring and training all of them, to have a pool from where we can select the leaders of tomorrow. These professionals step into a fast track in the organisations, if they respond they will ascend at a quicker pace in the organisation. [B6N]*

- *Training the personnel, involving them to get the goals, occasional retribution in agreement with the result obtained and/or external training; solidarity, to feel the people and guarantee them that they have support. [C5N]*

- *Sound policies and procedures: Training, including simulation (role play) exercises: Understudying persons in a leadership role. Learning from others or past experiences: Understanding what inhibits effective leadership and ways of overcoming those in-efficiencies. Trial and error if situation allows. Education and communication to the workforce. [B5E]*

Key Individual Factor 5: Motivation and Participation. Of the 24 executives interviewed, 33% identified that a key individual factor relating to effective leadership was the requirement to provide the necessary levels of motivation and encourage participation from all levels of management and the workforce. This factor was identified by 63% of executives in case B, followed by 25% for case A and 13% for case C. When looking at cross-cluster analysis of this data, 63% of those who identified this factor were expatriates and, at 50% each, both senior executives and executives equally identified this factor. The various interviewees who identified this factor demonstrated an understanding of this issue in the following examples of their responses:

- *The ability to encourage and inspire, the ability to vision, the ability to solve problems successfully, the ability to creative and innovative, the ability to hear others, the ability to take decisions and the ability to communicate [C5N]*

- *Set directions, lead by example, team building/work, develop and motivate individual commitment [B1E]*

- *Senior management is the starting point for effective leadership practice. Without senior management undertaking said practices, that sort of leadership may not be preset in any other level of the company. Senior management use effective leadership practices as a tool to obtain better and smoother corporate results. [C1N]*

Key Individual Factor 6: Delegation and empowerment. The ability to delegate and the empowerment of individuals to manage what they do in their work environment and work interfaces was identified by 25% of the participating 24 executives. The executives in case C at 50%, followed by cases A and B at 33% and 17 respectively, identified this key factor. When looking at cross-cluster analysis of this data, 67% of those who identified this factor were nationals and executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Being open and using creative thinking, being focused and having tenacity in achieving goals, to be involved the organisation in decisions–process, empowering staff and communicate effectively [C5N]*

- *Lead by example is the most important factor in promoting effective leadership. Promote the team concept. Include subordinates in some of the decisions. Listen to opinion of subordinates. Major inhibitor is leading by intimidation. [A5E]*

- *Personality, communication skills, motivation and team building, live values, lead by example, honesty and face reality. [B1E]*

- *PROMOTE: 1. Willingness to accept change; 2. Correct information process up and down the corporate chain of command; 3. Clear understanding that the company needs to streamline its procedures and production; 4. Confidence that one will be heard and taken into consideration.*

- *INHIBIT: 1. Unfair personnel management procedures; 2. lack of trust in the people who are leading the company; 3. Bad corporate atmosphere; 4. fear that once "I have said it all" I will be fired. [C4N]*

Key Individual Factor 7: Ethical behaviour. Of the 24 executives and senior executives interviewed, 21% identified the need for the establishment of clear rules on ethical behaviour in the organisation, and the strengthening of organisational integrity as a key individual factor in relation to effective leadership practice. Only the interviewees of cases B and C at 80% and 20% respectively identified this key factor. When looking at cross-cluster analysis of this data, 60% of those who identified this key factor were expatriates and 80% were senior executives. The various interviewees who identified this factor demonstrated an understanding of this issue in the following examples of their responses:

- *I think that the key issue is to establish the proper ethics policy within the company in order to define what can be permitted and what can not. This may differ from country to country where because of cultural norms some things are considered as a norm. By: improving communication, identifying employee interests, needs and goals, showing employees how the achievement of corporate purpose, objectives and goals may also allow them to achieve their own interests. [A7N]*

- *There should not be differences on business ethics on managers' levels; otherwise the organisation would have a huge problem. In Colombia though, corruption and favours are still common practice and people grow up and live with it every day. (fraught and thefts will only be avoidable with rigorous procedures, controls and punishment in case of violation) [B1E]*

- *By promoting leadership at all levels within the company and not leave it as something exclusively for senior management. Through social, political and cultural awareness, corporate and personal ethics. [C1N]*

- *Arrogance, dishonesty, poor ethics, lack of experience, lack of understanding of technical issues. Low emotional intelligence.[B3E]*

Key Individual Factor 8: Responsibility and accountability. The need for a willingness to accept responsibility for one's actions, as well as the need for individuals to accept accountability for the results of their own decision making, was another key individual factor identified by only 13% of the 24 executives interviewed. The executives of case A at 67%, followed by 33% for case B, identified this key factor. When looking at

cross-cluster analysis of this data, 67% of those who identified this attribute were expatriates and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Remoteness and poor communication. Unwillingness to accept accountability. Not prepared to delegate and empower individuals. [A1E]*

- *The behaviour and the acceptance of the managers always is normally observed and commented by the labour force, so the manager normally is the model that the people try to imitate. [B8N]*

Key Individual Factor 9: Concept of time and effective time management. Another key individual factor is the concept of time and effective time management, especially in relation to large mining operations. Only 8% of the 24 executives interviewed identified this key factor. The executives of cases A and C at 50% each identified this factor. When looking at the cross-cluster analysis of this data those who identified this factor were equally expatriates and nationals, and half were senior executives and half were executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Time keeping is vital, communication good versus bad and budget and cost control. [A3E]*

- *Communication/language. Cultural differences/adaptation to the environment. Empowerment. Involvement of mid/low management in decision making. Constant feedback. Awareness of the overall background. Awareness of regional/local differences (in part - concepts of time). Team work (adequate). Horizontal corporate relations. [C1N]*

The question regarding the existence of barriers between expatriate and national executives required a response from 1 to 7 on a Likert semantic differential scale inscribed between two bipolar phrases which, in this case, were *strongly disagree* to *strongly agree* to indicate the degree to which the interviewee believed that these barriers existed.

Table 4.8 below indicates the average response for each of the 3 cases and also the cross-cluster analysis of this data.

Table 4.8: The Existence of Barriers between Expatriate and National Managers

Issue	Cases			Cross-cluster Analysis			
	A	B	C	E	N	Se	Ex
The existence of barriers between expatriate and national managers	4.8	5.2	5.4	5.3	4.9	5.2	5.0

Source: produced for this study

The results for the three cases indicate that barriers did exist, but that they were not significant as 4 was the neutral response and all cases responded slightly above this value. This was also the same situation for the cross-cluster analysis as there was very little difference in the results for expatriates and nationals, or for senior executives and executives, in terms of their belief that barriers exist.

4.3.3.1. Summary

The analysis of the responses relative to RI 2 found a number of common themes that emerged in regard to the level of understanding shown by the interviewees of the key individual factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry. The questions presented in the interviews sought to determine executive managerial understanding of what key individual factors existed in relation to effective leadership practice in the context of the Colombian coal mining industry and what level of understanding existed in regard to these key individual factors.

These were, in order of the magnitude of the responses, knowledge and understanding of cultural differences, communication and recognition of language issues, need to be focused and results oriented, education and training, motivation and participation, delegation and empowerment, ethical behaviour, responsibility and accountability and, finally, the existence of barriers between expatriate and national managers.

A lack of *knowledge and understanding of cultural differences*, identified by 83% of interviewees, was a key factor that impacted on effective leadership practice. Additionally, there was found to be a need to have conciliation, open operating structures, openness to input by others, and the need for patience, understanding and tolerance. Interviewees identified that *communication and the recognition of language issues*, identified by 79%, was the second most significant key individual factor identified. Communication was seen to exist at multiple levels within these

organisations and is, for example, not limited to directives from senior management down through the organisation. It is also about listening to people's ideas and allowing them to be heard and to participate, it is about speaking frequently with people at all levels within the workforce and trying to resolve their concerns, ideas, asking others and listening to the way they see us. There was also identified the need to recognise that language was an issue and this was not only limited to the level of proficiency of expatriates in Spanish and nationals with English, but also the differences in what is said and what is understood based on culture and background experience.

Forty-two percent of interviewees responded that there was a *need to be focused and results oriented*. In order to achieve this, respondents identified the requirement to establish and explain the company's objectives and demonstrate tolerance in allowing employees to achieve these objectives. Additionally, they believed that there is a need to invest heavily in *education and training,* identified by 42%. Due to lack of experience on the part the national workforce, this key factor was identified because neither the executives nor the workforce in Colombia have any significant exposure to large scale mining operations and the background of the majority of the workforce is rural subsistence agriculture. The nationals at all levels are willing and focused towards acquiring the necessary skills. They only have to receive the necessary education and training. Also identified was the requirement to provide the necessary levels of *motivation and encourage participation,* identified by 33%, from all levels of management and the workforce, as well as the need for *delegation and empowerment* of individuals within the mining organisations, identified by 25%. The need for the establishment of clear rules on *ethical behaviour* in the organisation, identified by 21%, and the strengthening of organisational integrity was also identified as a key individual factor in relation to effective leadership practice, as was the need for a willingness to accept *responsibility* for one's actions. The need for individuals to accept *accountability* for the results of their own decision making was identified by 13%.

The results also indicate that barriers do exist between expatriate and national managers, but that they were not significant. There was very little difference in the results for expatriates and nationals, or for senior executives and executives, in terms of their belief that barriers exist.

4.3.4. Research issue 3: What are the key situational factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

This third set of research questions seeks to determine the understanding shown by the interviewees of the key situational factors that are perceived by executive and senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry. The answer to this research question has been derived from the responses to the following questions: 10, 11, 12, 13 and 14 and secondary supporting questions 4, 27, 30, 31 and 32 shown in appendix IV; and secondary data sources: A1E, A2E, A3E, A5E, A6N, B1E, B2E, B4E, C1N, C4N, C5N, C6N were used.

The analysis of the interviewees' responses was used to discover a common trend in the determination of the managers' understanding of this third research issue and in determining what common factors in terms of this understanding exists in the context of the various aspects of effective leadership practice that had been identified in the model described in Figure 4.2. While the analysis did not necessarily seek consensus amongst all the interviewees on their understanding of the key situational factors, the analysis did seek to determine the range of beliefs commonly held and to identify any issues unique to this group of interviewees.

In considering the above data sources, a number of issues relating to the concept of the key situational factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry emerged and these are listed above in Table 4.9 for each case.

Table 4.9: Main attributes summary relating to the Concept of Key Situational Factors that are perceived by Senior Executives to Promote or Inhibit Effective Leadership

No	Key Situational Factors	Cases			Cross-cluster Analysis				
		A	B	C	E	N		Se	Ex
1	Culture	9	8	4	8	13		9	12
2	Management Style	7	9	4	8	12		9	11
3	Social Environment	8	2	3	6	7		4	9
4	Government	2	4	1	4	3		4	3
5	Ethics	0	3	0	3	0		3	0

Source: produced for this study

Key Situational Factor 1: Culture. This was the key situational factor identified by the majority of the 24 executives interviewed, with 88% of the interviewees identifying the following issues in relation to this key situational factor, culture:

- *Colombian culture is very much reactive versus a proactive culture.*
- *Safety attitudes are different and are considered high risk versus the expatriate approach.*
- *The need to change from a traditional family orientated, class distinct system to a more merit based system for the appointment of leaders,*
- *The need for more "participative" style of leadership based on capability rather then connections.*
- *The lack of job security and alternate employment tends to create a subservient culture.*
- *Fear of authority*
- *Factionalism*
- *Language*

The issues relating to this key factor were perceived by senior executives to have the most significant impact on effective leadership practice in the Colombian coal mining industry. The executives in cases A and B each represented 43% and 38% respectively of the interviewees who identified this key factor, followed by 19% for case C. When looking at cross-cluster analysis of this data, 62% of those who identified this key factor were nationals and 57% were executives. From this cross-section analysis it can be seen that it was the majority of Colombian national executives who identified this key individual factor over both expatriates and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Colombian organisations very bureaucratic not accustomed to modern management styles and tend to have a hierarchical approach. [A2E]*
- *Cultural differences are an initial barrier between senior management and (i) employees, (ii) state officers involved in mining projects, and (iii) advisors. [C1N]*
- *Language difference as well as culture difference (sense of humour), tend to be reactive vs. proactive and issues of workplace discipline. [A3E]*
- *I think it is obvious that there are barriers, regarding language, style, ways to see problems, lacks, strong points, etc. It is normal the existence of barriers between national managers, think about expatriate and national together but I thing that the key is the existence of common targets and a little bit of comprehension and patient. [A6N]*
- *Lack of job security and alternate employment tends to create a subservient culture, To much fear of authority, factionalism [A1E]*
- *In a first stage (1) language (2) understanding internal political conditions (corporate social responsibility) [C5N]*

Key Situational Factor 2: Management Styles. Interviewees identified that management style was the second most significant key situational factor and this was identified by 83% of the participating 24 executives. Management style was identified as a situational factor, as opposed to an individual factor, by the interviewees on the

basis that they are working in an industry environment where a lot of these factors occur because this is the way that the original multi-national owners structured the company when they established it in the early 1980s and how it then evolved with the Colombian influence. Management styles were seen to impact at multiple levels within these organisations and influence effective leadership practice. The following issues were identified as the most significant in relation to enabling effective leadership practice:

- *Time keeping*
- *Planning*
- *Satisfying the needs of shareholders*
- *Alignment of goals*
- *Change management*
- *Participation*
- *Results orientated*

The executives in case A and B represented 35% and 45% respectively of the interviewees who identified this key factor followed by 20% for case C. When looking at the cross-cluster analysis of this data, 60% of those who identified this key factor were nationals and 55% were executives. From this cross-cluster analysis it can be seen that it was the majority of Colombian national executives who identified this key situational factor over both expatriates and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Allowing input from subordinates concerning best business practices. Certain expatriates always yelling in order to get what they want intimidating employees. Expatriates trying to make themselves look good at the expense of everyone and everything else. [A5E]*

- *Language difference, payments for expatriates and locals, time management and the credibility of the manager. [A3E]*

- *Leadership involves acting on behalf of an institution; having ideals different than your own; leaving personal feelings and aspirations behind, while seeking objectives or goals, or ideals larger than your own. A broader perspective, which many times are easier, said than done. Selfishness, not understanding "the big picture", lack of trust in others, is some of the factors that inhibit a*

healthy leadership atmosphere in a corporation. Where do these come from? Sometimes bad personnel selection practices; sometimes bad promotion policies or practices help create negative leadership practices. [C4N]

Key Situational Factor 3: Social environment. This key situational factor was identified as the third most significant by 54% of the 24 executives interviewed. They responded that there was a need to recognise the social environment in which the industry had to function. In countries such as Colombia, multinational companies will find themselves operating in locations surrounded by indigenous people living in extreme poverty and a low educational base. In many cases, these people will be the labour pool from which the company must recruit and develop its workforce. This situation requires careful management in order to provide mutually beneficial outcomes. The issues which were identified as impacting on effective leadership practice are listed as follows:

- *Community issues*
- *Poverty*
- *Relationship building*
- *Respect and trust*
- *Unrealistic expectations*
- *Local politics and corruption*

The executives in case A at 62%, followed by 23% for case C and 15% for case B of the interviewees identified social environment as a key factor in effective leadership practice. When looking at cross-cluster analysis of this data, just over half, at 54%, of those who identified this key factor were nationals and 69% were executives. From this analysis it can be seen that slightly more Colombian nationals identified this key individual factor than expatriates and more were executives than senior executives. The various interviewees who identified this factor demonstrated an understanding of this issue in the following examples of their responses:

- *Communities (poor, basic necessities), political groups trying to obtain benefits, changes in legislation (tax, labour), lawsuits without any due support and the criteria of public employees (sometimes hard to understand).[A6N]*

- *Cultura—accepted way of doing things across country and through government. Different culture—management are Spanish and workforce are usually 'Indian"*

Ownership of business is in the hands of the upper class. Although a "socialist" type of country only basic rights are protected.[B2E]

- *Facing difficulties or unpredictable external circumstances or factors that affect the organisation and understanding internal political conditions (corporate social responsibility)[C4N]*

Key Situational Factor 4: Government. This key situational factor was identified as the next most significant by 29% of the 24 executives interviewed. They responded that there was a need to recognise that the way in which they interacted with the respective government departments in Colombia and the behaviour and performance of those departments had a significant impact on the efficiency and effectiveness of their business activities and, hence, on effective leadership practice. Multinational companies operating in Colombia will find themselves interacting with government departments which are normally very bureaucratic and slow. This requires an understanding of the situation and careful, patient management in order to provide beneficial outcomes. The relevant issues which were identified as impacting on effective leadership practice are listed as follows:

- *Very bureaucratic and slow*
- *Country instability*
- *Political groups trying to obtain benefits.*
- *Frequent changes in legislation (tax, labour).*
- *Opportunistic lawsuits without any due support.*
- *Agendas of public employees (sometimes hard to understand).*

The executives in case B represented 57% of the interviewees who identified this key individual factor, followed by 29% for case A and 14% for case C. When looking at cross-cluster analysis of this data both expatriate and national executives identified this factor as significant with a 57% and 43% response respectively. The same distribution of responses was found between senior executives and executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *The issues are communities (poor necessities), political groups trying to obtain benefits, changes in legislation (tax, labour), lawsuits without any due support and the criteria of public employees (sometimes hard to understand).[A6N]*

- *Generally the government is supportive of the mining industry and business in general. This gives confidence to operate. The government bodies that one deals with in the mining industry such as the Ministry of the Environment and Ingeominas are reasonably predicable to deal with (a positive) although very bureaucratic and slow (a negative)[B4E]*

Key Situational Factor 5: Ethics. Interviewees also identified that ethics was a key situational factor relating to effective leadership practice and this was identified by 13% of the participating 24 executive managers. Ethics was seen to impact at multiple levels on these organisations and influence the management of these organisations. The need for the establishment of a clear set of policies and procedures on ethical behaviour in the organisation was identified—as was the need for individual and organisational openness, honesty and integrity. This factor was identified by all of the interviewees in case B who were expatriate and senior executives. The various interviewees who identified this factor demonstrated an understanding of this issue in the following examples of their responses:

- *There should not be differences on business ethics on managers' levels; otherwise the organisation would have a huge problem. In Colombia though, corruption and favours are still common practice and people grow up and live with it every day. (Fraud and theft will only be avoidable with rigorous procedures, controls and punishment in case of violation.) [B1E]*

- *Colombian culture is seen by outside world to be more corrupt and more violent than some Western countries. Colombians have learned to survive in this environment. [A1E]*

- *Here it is a common practice to accept bribes, kickbacks, etc. It occurs in other places but is not as acceptable or open. This was a common practice in Prodeco several years ago, but since been cleaned up there are no differences in our company because unethical behaviour is not acceptable. [A5E]*

The question regarding whether executives think organisational change promotes or inhibits effective leadership practice required a response from 1 to 7 on a Likert semantic differential scale inscribed between two bipolar phrases, which in this case were *strongly inhibits* to *strongly promotes* which was to indicate the degree to which

the interviewee believed that organisational change promotes or inhibits effective leadership practice.

Table 4.10 below indicates the average response for each of the three cases and also the cross-cluster analysis of this data.

Table 4.10: Does Organisational Change Promote or Inhibit Effective Leadership Practice?

Issue	Cases			Cross-cluster Analysis			
	A	B	C	E	N	Se	Ex
Do you think that organisational change promotes or inhibits effective leadership practice?	4.2	5.2	4.6	5.3	4.2	5.7	3.9

Source: produced for this study

The results for the three cases indicate that organisational change has a slight impact in promoting effective leadership practice as 4 was the neutral response and all cases responded slightly above this value, with an average result of 4.7. This was also the same situation for the cross-cluster analysis as there was very little difference in the results for expatriates and nationals. The only variation observed was between senior executives and executives (5.7 and 3.9 respectively). From this it is possible to conclude that in terms of whether organisational change has a slight impact in promoting effective leadership practice the senior executives believed in the affirmative, while executives believed that there was a very slight negative impact.

The next scaled response question sought to determine the perceived importance by the executives regarding the integration of expatriate and national managers with each other, if at all, in terms of its impact on effective leadership practice. This required a response between 1 and 7 which in this case were *negative influence* and *strong influence* to indicate the degree to which the interviewees believed that integration of expatriate and national executives with each other was an important issues in regard to effective leadership practice.

Table 4.11 below indicates the average response for each of the three cases and also the cross-cluster analysis of this data.

Table 4.11 The Importance of the Integration of Expatriate and National Managers with Each Other.

Issue	Cases			Cross-cluster Analysis			
	A	B	C	E	N	Se	Ex
How important do you think the integration of expatriate and national managers with each other is, if at all?	6.0	6.3	6.8	6.5	6.1	6.3	6.3

Source: produced for this study

The results for the three cases indicate that the interviewees believed that the integration of expatriate and national executives with each other was very important as 4 was the neutral response and 7 was considered very important, and in all cases the interviewees responded slightly below the latter value, with an average result of 6.3. This was also the same situation for the cross-cluster analysis as there was very little difference in the results for expatriates and nationals. In the case of senior executives and executives, these two groups scored equally at 6.3. From this it is possible to conclude that the importance of the integration of expatriate and national managers with each other was considered very important in promoting effective leadership practice.

4.3.4.1. Summary

The analysis of the responses relative to RI 3 found a number of common themes that emerged in regard to the level of understanding shown by the interviewees of the key situational factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry. The questions presented in the survey were seeking to determine executive managerial understanding of what key situational factors existed in relation to effective leadership practice in the context of the Colombian coal mining industry and what level of understanding existed in regard of these key situational factors. These were, in order of the magnitude of the responses, *culture, management style, social environment, government and ethics.*

The responses identified that the issue of *culture*, identified by 88% of all interviewees, impacted at all levels throughout the mining industry in Colombia. Whether it was a reactive attitude to management, operations and planning or the attitude to safety, the impact was significant. Colombian management style has a long history of being traditionally family-orientated and a class-distinct system and multinational companies in Colombia operate a merit-based system for the appointment of leaders. The need for

more a ‘participative’ style of leadership based on capability, rather then connections, has also been identified. Also, due to extremely high unemployment levels in Colombia. the lack of job security and alternate employment options tends to create a subservient culture with a fear of authority. The combination of expatriates and nationals with the Colombian class system, as well as the mix of Colombian ‘Spanish’ and indigenous populations, has always caused factionalism within all levels of the workforce. *Management style* was seen by 83% of interviewees to impact at multiple levels within these organisations and influence effective leadership practice. The issues identified as the most significant in relation to enabling effective management were concept of time and time management, planning, satisfying the needs of shareholders, alignment of goals, the ability to handle change management, active participation and being results orientated.

In countries such as Colombia multinational companies will find themselves operating a unique *social environment,* identified by 54%, surrounded by indigenous people living in extreme poverty and a low educational base. In many cases these people will be the labour pool from which the company must recruit and develop its workforce. This situation requires careful management in order to provide mutually beneficial outcomes. The issues which were identified as impacting on effective leadership practice were the need to understand the issues affecting the communities in the zone of influence of the mines which, at the very least, is extreme poverty, the need to undertake relationship building with these communities and to develop respect and trust while at the same time lowering any unrealistic expectations on the part of these communities. This in itself requires the ability to understand and deal with local politics—which will also involve levels of corruption.

Another key situational factor identified was related to *government,* identified by 29%, as it is perceived there is a need to recognise that the way in which they interact with the respective government departments in Colombia and the behaviour and performance of those departments has a significant impact on the efficiency and effectiveness of their business activities and, hence, on effective leadership practice. Multinational companies operating in Colombia will find themselves interacting with government departments which are normally very bureaucratic and slow. This requires an understanding of the situation and careful, patient management in order to provide beneficial outcomes. Another issue that was identified as impacting on effective leadership practice was the

instability of the country, with various political groups trying to obtain benefits. This includes, but is not limited to, paramilitary organisations, guerrilla groups and drug related groups, as well as opportunistic criminal groups. Also impacting are frequent changes in legislation for such areas as taxation and labour laws, opportunistic lawsuits without any due support and agendas of public employees.

The issue of e*thics*, identified by 13%, was also identified as another key situational factor relating to effective leadership practice and was seen to impact at multiple levels on these organisations and influence the management of these organisations. The need for the establishment of a clear set of policies and procedures on ethical behaviour in the organisation was identified, as was the need for individual and organisational openness, honesty and integrity.

From the specific question regarding whether executives think that organisational change promotes or inhibits effective leadership practice it is possible to conclude that in terms of whether organisational change has a slight impact in promoting effective leadership practice the senior executives believed in the affirmative, while executives believed that there was a very slight negative impact.

In attempting to determine how important the executives thought that the integration of expatriate and national managers with each other was in terms of its impact on effective leadership practice, the results concluded that the importance of the integration of expatriate and national managers with each other was considered very important in promoting effective leadership practice.

4.3.5. Research issue 4: How have strategic agendas influenced effective leadership practice for senior executives in the Colombian coal mining industry?

This fourth set of research questions seeks to determine the understanding shown by the interviewees of how strategic agendas have influenced effective leadership practice for senior executives in the Colombian coal mining industry. The answer to this research question has been derived from the responses to the following questions: 15, 16, 17, 18 and 19; and secondary supporting questions 4, 30, 31 and 32 shown in appendix IV; and secondary data sources A1E, A2E, A3E, A5E, A7N, A8N, B1E, B2E, B8N, C4N, C5N were used.

The analysis of the interviewees' responses was used to discover a common trend in the determination of the managers' understanding of this fourth research question and in

determining what common factors in terms of this understanding exist in the context of the various aspects of the influence of strategic agendas on effective leadership practice that had been identified in the model described in Figure 4.2. While the analysis did not necessarily seek consensus amongst all the interviewees on their understanding of the influence of strategic agendas, the analysis did seek to determine the range of beliefs commonly held and to identify any factors unique to this group of interviewees.

In considering the above data sources, a number of key factors relating to the concept of how strategic agendas have influenced effective leadership practice for senior executives in the Colombian coal mining industry emerged, and these are listed below in Table 4.9 for each case.

Table 4.12: Key Factors Summary relating to the Concept of how Strategic Agendas have Influenced Effective Leadership Practice for Senior Executives in the Colombian Coal Mining Industry.

		Cases			Cross-cluster Analysis			
No	**Key Factors**	**A**	**B**	**C**	**E**	**N**	**Se**	**Ex**
1	Establishment of strategic agendas.	10	9	4	10	13	9	14
2	Requirements for success	5	6	4	6	9	8	7
3	Impacts and influence	8	2	2	6	6	4	8
4	Goal setting and common objectives	4	1	1	4	2	2	4
5	Vision for the future	1	3	1	2	3	3	2

Source: produced for this study

Key Factor 1: Establishment of strategic agendas. This was the key factor identified by the majority of the 24 executives interviewed. Of these, 96% identified the following issues in relation to this key factor, the establishment of strategic agendas:

- *Developed at a senior management level*
- *Developed with involvement by shareholders*
- *Support by external consultants.*

The issues relating to the need to establish strategic agendas for their companies, and how and by whom these strategic agendas should be developed, is a key factor perceived by senior executives to have the most significant impact on effective leadership practice in the Colombian coal mining industry. The executives in cases A and B each represented 43% and 39% respectively of the interviewees who identified this key factor, followed by 18% for case C. When looking at cross-cluster analysis of this data, 57% of those who identified this key factor were nationals and 61% were executives. From this cross-section it can be seen that it was the majority of Colombian national executives who identified this factor over both expatriates and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Strategic agendas have to be developed at a senior management level and should be adopted by the organisation. [A1E]*

- *Most corporations hire external consultants to develop the primary role in establishing strategic agendas. The reason being that if one of the parties (top management or middle management) is given the task, those under pressure to conform to the others wishes, will tend to simply comply, in the understanding that they are "being told" what to do. When you hire an external, specialized consultant to perform that task, all involved will give more of themselves to the project, and not think that they are simply part of a "yes sir" exercise. [C4N]*

- *Chief Executive and management team. Key placements of executive expatriates in the organisation with accountability to develop people within the organisation. Outside consultants of similar heritage but not necessarily from the same country.[B2E]*

Key Factor 2: Requirements for success. Interviewees identified that defining the requirements for success was the second most significant key factor in regard to strategic agendas and effective leadership practice and this was identified by 63% of the participating 24 executives. The key factors relating to defining the requirements for success were seen to impact at multiple levels within these organisations and influence effective leadership practice. The following issues were identified as the most significant in relation to enabling effective management:

- *Training and exposure of junior Colombian management.*
- *High quality and experienced expatriate management.*
- *Continuous improvement.*
- *Buy-in by all parties.*
- *Communication.*
- *Flexibility and open mindedness.*
- *Education and training.*

The executives in case A and B represented 33% and 40% respectively of the interviewees who identified this key factor, followed by 27% for case C. When looking at the cross-cluster analysis of this data, 60% of those who identified this key factor were nationals and 53% were senior executives. From this analysis it can be seen that it was the majority of Colombian national senior executives who identified this factor over both expatriates and executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *High quality and experienced expatriate management, training and exposure of junior Colombian management, empowerment and accountability. [A1E]*

- *It starts from getting the right people to do the right job. This will lead to the creation of the proper team for the work. I also believe that effective management development is a continuous improvement that can always be better. If it gets better the leadership practice gets better as well. [A7N]*

- *No, once the strategic agenda is agreed or fixed, the team must to follow the action plans and try to reach as close as possible all the goals [B8N]*

- *1. Internal or external training 2. Strategic Management courses by a consultant [B1E]*

Key Factor 3: Impacts and Influence. This key factor was identified as the third most significant by 50% of the 24 executives interviewed. They responded that there was a need to recognise the impacts and influence of strategic agendas on effective leadership practice. The issues which were identified as impacting on and influencing effectiveness of strategic agendas are listed as follows;

- *Empowerment and accountability.*
- *Provides direction and motivation.*
- *Growth.*
- *Positive influence.*
- *Commitment.*
- *Develops a team.*

The executives in case A at 67%, followed by 17% for cases B and C, identified the impacts and influences of strategic agendas as a key factor in effective leadership practice. When looking at cross-cluster analysis of this data it was identified equally at 50% each as a key factor by both expatriate and national executives. From this analysis it can be seen that more executives, at 67%, identified this factor that senior executives. The various interviewees who identified this factor demonstrated an understanding of this issue in the following examples of their responses:

- *Lack of specific strategic agenda can have demoralising effect on local management. Difference between Colombian and expatriate visions of future, very important, need to have clear direction of future. [A2E]*

- *The president gets his instructions from Switzerland and conveys them to his subordinates. Switzerland gets their information from our mining staff and outside consultants. They then proceed to ignore all pertinent info and tell the accountants to cut costs. The cleaning lady is probably most important because she has to clean up the mess after the mayhem. [A5E]*

- *There is a need to identify the problem and discuss with individual or groups the problem and its effects. The manager's role most time is to have a strategy/experience to ove-come and never ignore the problem. [A3E]*

- *Buy-in from all involved parties is required for a successful strategic agenda (team effort). [A8N]*

Key Factor 4: Goal setting and common objectives. This key factor was identified as the next most significant by 25% of the 24 executives interviewed. They responded that there was a need to recognise that goal setting and the identification of common objectives had a significant impact on the efficiency and effectiveness of their business activities in relation to company strategic agendas and, hence, on effective leadership

practice. The relevant issues which were identified in relation to goal setting and the identification of common objectives in regard to strategic agendas are listed as follows:

- *Establish policies and procedures.*
- *Develop a set of organisational objectives.*
- *Develop performance benchmarks.*
- *Develop attainable goals.*

The executives in case A at 67% and followed by 17% for cases B and C identified goal setting and the identification of common objectives in regard to strategic agendas as a key factor in effective leadership practice. When looking at cross-cluster analysis of this data, both expatriate and national executives identified this factor as significant with responses of 67% and 33% respectively. The same distribution of responses was found between executives and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *The primary role has to be taken from the chairman or president following owner interests. He would have to communicate the objectives and goals and the strategy should be defined in a teamwork process, so all the management is committed to perform it. [A7N]*

- *There is a need to identify the problem and discuss with individual or groups the problem and its effects. The manager's role most time is to have a strategy/experience to over-come and never ignore the problem. [A3E]*

- *Normally the strategic agendas have been address by the expatriates because they have the delegation of their organisation and normally the nationals don't have enough information of exposure to the relevant topics of the world industry. [B8N]*

Key Factor 5: Vision for the future. Interviewees also identified that a vision for the future was a key factor relating strategic agendas and their impact on effective leadership practice and this was identified by 25% of the participating 24 executives. The interviewees who identified this factor demonstrated an understanding of this issue by identifying the following areas as important to the company vision of the future in relation to strategic agendas:

Develop top down pyramid.

- *Vision.*
- *Mission.*
- *Goals.*
- *Strategies.*
- *Tactics.*
- *Action plans.*
- *Goal alignment.*

The executives in case B represented 60% of the interviewees who identified this key individual factor, followed by 20% for cases A and C. When looking at cross-cluster analysis of this data, both expatriate and national executives identified this factor as significant with a 40% and 60% response respectively. The same distribution of responses was found between executives and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Top down approach (shareholders/top management) is required. I believe the strategy pyramid top down (with Vision/Mission/Goals/Strategies/Tactics and Action plans) are still more effective and builds on existing competencies. [B1E]*

- *The clear definitions and understanding of the mission, vision and in general all the company values and polices are key to control and minimize the problems during the process of the relationship and execution [B8N]*

- *In my opinion by having a clear vision of the business and its strategic goals, a correct and dynamic organisation, focusing on decision making, transmitting decisions correctly and having a compensation structure accordingly is the key to success. [C5N]*

The question regarding how do executives think strategic agendas have influenced effective leadership practice, if at all, required a response from 1 to 7 on a Likert semantic differential scale inscribed between two bipolar phrases which in this case were *negative influence* to *strong influence* to indicate the degree to which the interviewee believed that strategic agendas have influenced effective leadership practice.

Table 4.13 below indicates the average response for each of the three cases and also the cross-cluster analysis of this data.

Table 4.13: Do Executives think Strategic Agendas have Influenced Effective Leadership Practice?

Issue	Cases			Cross-cluster Analysis			
	A	B	C	E	N	Se	Ex
How do executives think strategic agendas have influenced effective leadership practice, if at all?	4.5	5.8	6.0	5.3	5.3	5.5	5.1

Source: produced for this study

The results for the three cases indicate that executives do believe that strategic agendas have influenced effective leadership practice as 4 was the neutral response and all cases responded above this value, with an average result of 5.3. The executives in cases B and C responded with average scores of 5.8 and 6 respectively, which indicate very little difference in opinion, however, the interviewees in case A scored an average of 4.5 which was still slightly affirmative. For the cross-cluster analysis there was no difference in the results for both expatriates and nationals at 5.3 each. The only variation observed was between senior executives and executives—5.5 and 5.1 respectively. From this it is possible to conclude that in terms of whether strategic agendas have influenced effective leadership practice, if at all, senior executives believed in the affirmative with an average score of 5.5; while executives also agreed, but scored slightly lower with an average score of 5.1.

4.3.5.1. Summary

The analysis of the responses relative to RI 4 identified a number of common themes that emerged in regard to the level of understanding shown by the interviewees of how strategic agendas have influenced effective leadership practice for senior executives in the Colombian coal mining industry. The questions presented in the survey were seeking to determine executive managerial understanding of what key factors existed in relation to effective leadership practice in the context of the Colombian coal mining industry and what level of understanding existed in regard of these key factors. These were, in order of the magnitude of the responses, *establishment of strategic agendas, requirements for success, impacts and Influence, goal setting and common objectives,* and *vision for the future*

The responses identified that the issue of *establishment of strategic agendas,* identified by 96% of the interviewees, was considered significant at all levels throughout the mining industry in Colombia. It was seen as being driven from the top down, but with the requirement of involvement at all within in the organisations in order to get 'buy-in' and a sense of ownership at all levels. Also identified was the need for company strategic agendas to be developed with involvement by the shareholders and that this process should be facilitated by, or with the help of, 'expert' external consultants.

Defining the *requirements for success,* identified by 63%, was the second most significant key factor in regard to strategic agendas and effective leadership practice. The issues identified as the most significant in relation to enabling effective strategic management were, at an early stage, the nurturing, training and exposure of high potential junior Colombian managers to effective leadership practices via management training and possibly overseas assignment. Also identified was the need to have high quality and experienced expatriate management. Other issues identified were the need for a continuous improvement program, the buy-in by all parties concerned and continuous and effective communication, as well as flexibility and open mindedness and continuous and extensive education and training.

Another factor identified was the need to recognise the *impacts and influence* of strategic agendas on effective leadership practice, identified by 50% of respondents. The issues which were identified as impacting on and influencing effectiveness of strategic agendas were empowerment and accountability. It was recognized that while people can be empowered to carry out their roles within the organisation, they must also realise that they are accountable for their actions. Management at all levels within the organisation must provide direction and motivation to those under their control. The growth of the organisation was seen as having a positive effect on the success of the implementation of strategic agendas and from this would follow the feeling of commitment—thus assisting the spirit of team building.

Goal setting and the identification of common objectives, identified by 25%, had a significant impact on the efficiency and effectiveness of business activities in relation to company strategic agendas and, hence, on effective leadership practice. The relevant issues which were identified in relation to this factor were the need to establish policies and procedures and to develop a set of organisational objectives, as well as development of performance benchmarks and setting attainable goals.

A *vision for the future*, identified by 25%, was a key factor relating strategic agendas and their impact on effective leadership practice and the interviewees who identified this factor demonstrated an understanding of this issue by identifying the need to develop a top-down pyramid approach to establishing strategic agendas and, in doing so, first establish the organisation vision and mission statements and then from this develop company strategies and tactics to achieve the identified goals through a clear and concise set of action plans. Also identified was the need to effectively manage this process so as to achieve goal alignment and, hence, ownership by all employees so that they can see that the corporate goals will enable them to achieve their own personal goals.

Therefore, from the specific questions seeking to determine the level of understanding shown by the interviewees of how strategic agendas have influenced effective leadership practice for senior executives in the Colombian coal mining industry it is possible to conclude that executives do believe that strategic agendas have influenced effective leadership practice and there was no difference in the results for both expatriates and nationals.

4.3.6. Research issue 5: How have organisational change and innovation initiatives influenced effective leadership practice for senior executives in the Colombian coal mining industry?

This fifth set of research questions sought to determine the understanding shown by the interviewees of how organisational change and innovation initiatives have influenced effective leadership practice for senior executives in the Colombian coal mining industry. The answer to this research question has been derived from the responses to the following questions: 20, 21, 22, 23 and 24; and secondary supporting questions 4, 30, 31 and 32 shown in appendix IV; and secondary data sources A1E, A3E, A7N, A11N, B1E, B6N, C1N, C4N, C5N were used.

The analysis of the interviewees' responses was used to discover a common trend in the determination of the managers' understanding of this fifth research question and in determining what common attributes in terms of this understanding exists in the context of the various aspects of the influence of organisational change and innovation initiatives that had been identified in the model described in Figure 4.2. While the analysis did not necessarily seek consensus amongst all the interviewees on their understanding of the influence of strategic agendas, the analysis did seek to determine

the range of beliefs commonly held and to identify any issues unique to this group of interviewees.

In considering the above data sources, a number of issues relating to the concept of how organisational change and innovation initiatives have influenced effective leadership practice for senior executives in the Colombian coal mining industry emerged and these are listed below in Table 4.14 for each case.

Table 4.14: Main Attributes Summary relating to the Concept of how Organisational Change and Innovation Initiatives have Influenced Effective Leadership Practice

		Cases			Cross-cluster Analysis			
No	**Key Factors**	**A**	**B**	**C**	**E**	**N**	**Se**	**Ex**
1	Understanding and managing organisational change.	8	6	4	7	11	7	11
2	Organisational culture change.	7	5	4	6	10	5	11
3	Training and coaching.	5	6	2	6	7	6	7
4	Communicating change effectively.	5	5	5	5	6	4	7
5	Innovation and focus	1	3	3	3	4	5	2

Source: produced for this study

Key Factor 1: Understanding and managing organisational change. This was the key factor identified by the majority of the 24 executives interviewed. Of these, 75% identified the following issues in relation to this key factor, understanding and managing organisational change:

- *Initiation responsibilities.*
- *Characteristics.*
- *Planning.*
- *Roles and responsibilities.*
- *Identifying and dealing with risks.*

The issues relating to this key factor were perceived by senior executives to have the most significant impact relating to the concept of how organisational change and innovation initiatives have influenced effective leadership practice in the Colombian

coal mining industry. The executives in cases A and B each represented 44% and 33% respectively of the interviewees who identified this key factor, followed by 23% for case C. When looking at cross-cluster analysis of this data, 61% of those who identified this key factor were nationals and 61% were executives. From this analysis it can be seen that it was the majority of Colombian national executives who identified this key factor over both expatriates and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Shareholders together with top management because they have the final responsibility for the success of the business [B1E]*
- *Organisational change was managed by the senior management team – President, VPs and planning manager. This group of five people ended up orienting and managing organisational change. Crecer became the most successful of these organisational changes, but it was certainly not the only one. [B6N]*
- *Senior and mid-level management. Senior management, because they are involved in decision making and are the only ones with full knowledge of shareholders and parent company's interest. Mid-level managements because they are a natural link with all levels of employees. [C1N]*
- *The management team, because is the only way to transmit credibility within the organisation. [C5N]*

Key Factor 2: Organisational Culture Change. Interviewees identified that organisational culture change was the second most significant key factor and this was identified by 67% of the participating 24 executives. Cultural change was seen to impact at multiple levels within these organisations and influence effective leadership practice. The following issues were identified as the most significant in relation to this factor:

- *Leadership.*
- *The people – relationships.*
- *Defining values.*

The executives in case A and B represented 44% and 31% respectively of the interviewees who identified this key factor, followed by 25% for case C. When looking

at the cross-cluster analysis of this data, 62% of those who identified this key factor were nationals and 69% were executives. From this analysis it can be seen that it was the majority of Colombian national executives who identified this key factor over both expatriates and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Referring to the experience of Cerrejon, the organisational changes that came as a consequence of the change in owners, also impacted management development. In particular, we have used the possibility of sending our managers to training—and to seek different work experiences—with our shareholders. This has opened a new perspective to our senior managers, who now have a wider horizon of possibilities. [B6N]*

- *Communication/share experiences, open relationships, mutual respect, discuss social items and not all work related, listen and seek advice from local manager, delegate effectively to them. [A3E]*

- *In some cases the changes were very positive and in others extremely difficult, depending very much on individuals and positions. (e.g. expatriate replaces a manager position which was previously manned by an national (negative) Expatriate is appointed in a temporary development position to teach new practices and improve managerial skills of a national (positive). [B1E]*

- *There are many differences between expatriates and national managers. In my personal experience I have worked with English, Scottish, American, South African and Australian managers and just between them there are a lot of differences. National manager tends to be more political rather than expatriates that go right to the point just to name an example [A7N]*

Key Factor 3: Training and coaching. This key factor was identified as the third most significant by 54% of the 24 executives interviewed. They responded that there was a need to recognise that training and coaching were important in the successful implementation of organisational change and innovation initiatives. The issues which were identified as impacting on effective leadership practice are listed as follows:

- *Participation.*
- *Setting own goals and objectives.*

- *Measurement and evaluation.*
- *Ownership and engagement.*
- *Encourage diversity.*

The executives in case B at 46%, followed by 38% for case B and 15% for case C, identified the need to recognise that training and coaching were important in the successful implementation of organisational change and innovation initiatives, a key factor in effective leadership practice. When looking at cross-cluster analysis of this data just over half at 54% of those who identified this factor were nationals and executives. From this analysis it can be seen that slightly more Colombian nationals identified this key factor than expatriates and more were executives than senior executives. The various interviewees who identified this factor demonstrated an understanding of this issue in the following examples of their responses:

- *Quality of expatriates. Training and development of nationals. [A1E] With continuous training, leading and coaching and by its (hopefully) successful application. [B1E]*

- *As explained before I see effective management as a continuous improvement process that can always be better. It has to continue at all levels of the organisation and sometimes they required major or small organisational changes for this to happen. [A7N]*

- *Expatriate managers usually bring particular technical expertise to our company. Their job, by definition, is temporary. They should transfer their technical knowledge and train the nationals. Maybe shareholders want to leave expatriates in sensitive positions, but in general the long run presence of expatriates should tend to be reduced. [B6N]*

Key Factor 4: Communicating change effectively. This key factor was identified as the next most significant by 46% of the 24 executives interviewed. They responded that communicating change effectively had a significant impact on the efficiency and effectiveness of their business activities and, hence, on effective leadership practice. The following issues were identified as the most significant in relation to this factor:

- *Defining responsibilities.*
- *Impacts.*

- *Objectives and outcomes.*
- *Trust and respect*

The executives in cases A and B, at 45% each, equally represented the interviewees who identified this key factor, followed by 10% for case C. When looking at cross-cluster analysis of this data it can be seen that slightly more nationals (at 55%) identified this factor as significant compared to expatriates, and 64% of the responses were from executives. From this analysis it can be seen that slightly more Colombian national executives identified this key factor than expatriates; and more were executives than senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Making sure that expatriate and national managers have a fluid communication is a crucial responsibility of the CEO. You need to have your ears open, you need to make sure that lack of communication is not hindering the efficiency of the organisation. This was exactly what was happening when I arrived to Cerrejon, expatriates did not discuss any of their decisions with national managers, and national managers felt they were being ignored. National managers thought expatriates wanted to micromanage. Expatriates thought national managers were reluctant to change. Someone had to break this vicious circle. The order was: democracy in discussions, not in decisions. And all national managers point of view should be listened to and analysed. Finally, a senior management committee would take the decisions. [B6N]*

- *Personal interests seem to prevail in national managers. National managers have more knowledge of how things work (regional, national, social, economical, political, and cultural). Expatriates are more interested, normally in acquiring the above knowledge. Nationals have a long term vision since they intend to stay. Expatriates normally know they will leave at some point in time. [C1N]*

- *Combination of change/stable management. When external conditions are adequate for the full development of projects then the organisational change required for the implementation of said project implies the hiring of nationals for senior/mid level management positions. In addition, there is more*

involvement between senior expatriate management and nationals in the day today of the business at that stage. [C1N]

Key Factor 5: Innovation and focus. Interviewees also identified that innovation and focus was a key factor relating to effective leadership practice and this was identified by 29% of the participating 24 executive managers. Innovation and focus was seen to impact at multiple levels on these organisations and influence the management of these organisations. The various interviewees who identified this factor demonstrated an understanding of this factor and identified the following issues as the most significant in relation to this factor:

- *Cost benefits.*
- *Collaboration.*
- *Implementation.*
- *Innovation values.*
- *Adding value.*

The executives in cases B and C, at 43% each, equally represented the interviewees who identified this key factor, followed by 14% for case A. When looking at cross-cluster analysis of this data it can be seen that more nationals (at 57%) identified this factor as significant as compared to expatriates; and 71% of the responses were from senior executives. From this analysis it can be seen that slightly more Colombian national senior executives identified this key factor than expatriates, and more were senior executives than executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Integrations meetings can be very helpful to better fragile relationships, understanding and listening to one another, be open and positive, show integrity and learning ability, be a team worker, share power and authority [B1E]*

- *Staff review should be ongoing and delegation and having a plan for future promotions as well as communication to all levels. Do not reward bad performance. [A3E]*

- *Require friendly communications, evaluation and consideration of national managers to reach high positions. [A11N]*

- *More than looking for differences between expatriate and national managers, one must look into the need for expatriate managers. Expatriate managers come from two sources: - Foreign owned companies that require international staff to look after their interests;- Technical personnel who are better qualified in a specialized field (mining engineers, explosives experts, systems annalists, satellite communicators, etc.) Any other difference is related to "attitudes" by the international staff, which tends to create problems, more than differences. Not that the local staff is immune from trying to create problems for an organisation. Say, for example, a foreign corporation buys a local mine. In setting up its own principles, procedures, and rules, this new organisation may step over some toes. The local staff will try its "best" to block the introduction of reforms, by creating problems, or instigating internal crises. This is the time in which the international staff must set the rules very clearly, following leadership principles, not losing patience over petty incidents and "team building" in such a manner that the work "base" will adapt to the new. [C4N]*

4.3.6.1. Summary

The analysis of the responses relative to RI 5 identified a number of common themes that emerged in regard to the level of understanding shown by the interviewees of how organisational change and innovation initiatives have influenced effective leadership practice for senior executives in the Colombian coal mining industry. The questions presented in the survey were seeking to determine executive understanding of what key factors existed in relation to effective leadership practice in the context of the Colombian coal mining industry and what level of understanding existed in regard of these key factors. These were, in order of the magnitude of the responses, *understanding and managing organisational change, organisational culture change, training and coaching, communicating change effectively,* and *innovation and focus.*

The responses identified that the issue of the *understanding and managing organisational change,* identified by 75% of interviewees, was considered significant at all levels throughout the mining industry in Colombia. It was seen that the management of organisational change must be initiated and driven from the top down. The characteristics of organisational change needed to be clearly understood and the process requires careful and detailed planning with roles and responsibilities to be clearly

defined, with an additional requirement that time be allocated to identifying and dealing with the risks involved in order to achieve the successful implementation.

Organisational culture change, identified by 67% of respondents, was the second most significant key factor in regard to how organisational change and innovation initiatives have influenced effective leadership practice for senior executives in the Colombian coal mining industry. The issues identified as the most significant in relation to cultural change were leadership, the people in terms of relationships and the requirement for the defining of corporate and personal values. In order to successfully implement organisational change it is necessary for the leadership to drive this change successfully while recognising the needs of the employees and to be able to develop and build better working relationships at all levels within the organisation.

Another factor identified was the need to recognise that *training and coaching,* identified by 54%, were important in the successful implementation of organisational change and innovation initiatives. The issues which were identified as impacting on effective leadership practice in regard to this topic were the need for active participation at all levels within the organisations in order to achieve ownership of and engagement in the process. There also needs to be a process of the establishment of measurable and attainable goals and objectives so as to enable measurement and evaluation. The encouragement of diversity from the workforce was also seen as important for positive organisational growth.

Communicating change effectively was identified by 46% of interviewees as a key factor in determining how successful organisational change and innovation initiatives have been in influencing effective leadership practice, and this aspect had a significant impact on the efficiency and effectiveness of their business activities. The specific issues that were identified in relation to communicating change effectively were defining responsibilities, the potential impacts of not communicating effectively, as well as the expected objectives and outcomes. The need for an environment of trust and respect at all levels within the organisations was also seen as important.

The last issue identified as necessary for successful implementation of organisational change and innovation initiatives was the need for *innovation and focus,* identified by 29% of interviewees. The issues identified as impacting on effective leadership practice in regard to this topic were the need for collaboration during and after the

implementation phase as this was seen as a group process and as innovation which involves moving away from our basic set of values to a new set of values that will add value to the organisation and, if done correctly and with commitment at all levels, will bring with it cost benefits.

4.3.7. Research issue 6: How have business ethics and social responsibilities influenced effective leadership practice for senior executives in the Colombian coal mining industry?

This sixth set of research questions seeks to determine the understanding shown by the interviewees of how business ethics and social responsibilities have influenced effective leadership practice for senior executives in the Colombian coal mining industry. The answer to this research question has been derived from the responses to the following questions: 25, 26, 27, 28 and 29; and secondary supporting questions 4, 30, 31 and 32 shown in appendix IV; and secondary data sources A1E, A3E, A5E, A6N, A7N, A8N, B1E, B4E, B6N, C1N, C4N, C5N were used.

The analysis of the interviewees' responses was used to discover a common trend in the determination of the managers' understanding of this sixth research question and in determining what common attributes in terms of this understanding exists in the context of the various aspects of the influence of business ethics and social responsibilities that had been identified in the model described in Figure 4.2. While the analysis did not necessarily seek consensus amongst all the interviewees on their understanding of this topic, the analysis did seek to determine the range of beliefs commonly held and to identify any issues unique to this group of interviewees.

In considering the above data sources, a number of issues relating to the concept of how business ethics and social responsibilities have influenced effective leadership practice for senior executives in the Colombian coal mining industry emerged and these are listed below in Table 4.15 for each case.

Table 4.15: Key Factors Summary relating to the Concept of Business Ethics and Social Responsibilities that are perceived by Senior Executives to Influence Effective Leadership Practice.

No	Key Factors	Cases			Cross-cluster Analysis			
		A	B	C	E	N	Se	Ex
1	Effective manage of business ethics by example and behaviour	7	8	4	8	11	8	11
2	Sustainable development must take local cultures, customs and needs into account	8	6	4	6	12	8	10
3	Developing a code of conduct	6	4	4	5	9	5	9
4	Define the nature and quality of relationships	4	5	4	7	6	6	7
5	Dealing with violence and corruption	3	4	0	4	3	4	3

Source: produced for this study

Key Factor 1: Effective management of business ethics by example and behaviour. This was the key factor identified by the majority, at 79%, of the 24 executives interviewed in relation to their understanding of how business ethics and social responsibilities have influenced effective leadership practice for senior executives in the Colombian coal mining industry. The executives in cases A and B each represented 37% and 42% respectively of the interviewees who identified this key factor, followed by 21% for case C. When looking at cross-cluster analysis of this data, 58% of those who identified this key factor were nationals and 58% were executives. From this analysis it can be seen that it was the majority of Colombian national executives who identified this key factor over both expatriates and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Management must set the standard and 'Walk the Talk". [A1E]*
- *A leader needs to lead, among other things, by example. Everybody in the company knows if a leader abuses his privileges—the use of the corporate card, of airplanes etc. You need to be austere, with dignity, but austere. Staff in procurement needs to be independent, they need to know that senior*

management will always support their decisions—the technically sound, lowest cost proposal. [B6N]

- *Social responsibility is reflected in leadership practice: Decisions, policies, treatment, relation with others. [A6N]*

- *Business ethics used to be left behind in some back drawer. This was especially true of foreign companies who simply took a cavalier attitude as regards to ethics and morals of the host country. What was important was to "make money for the owner", period. This attitude answered to "don't do as I do, do as I say".*

  It was a double standard, very hard to understand. Normally, the executive who acted in such a manner was considered a "wise man". Unfortunately for corporations, the individual who played with loose ethics also began dipping into the company pot, a conduct which of course became grossly "unethical".

  Today, fortunately, the double standard concept is in the process of eradication and executives are asked to answer for all their actions within the normal limits of ethics.

  How does this "ethics" issue intermingle with the "leadership" issue? You cannot lead if your actions are not clear and clean. [C4N]

Key Factor 2: Sustainable development must take local cultures, customs and needs into account. Interviewees identified the requirement for sustainable development to take local cultures, customs and needs into account and this was the second most significant key factor and was identified by 75% of the participating 24 executives. The executives in case A and B represented 44% and 33% respectively of the interviewees who identified this key factor, followed by 22% for case C. When looking at the cross-cluster analysis of this data, 67% of those who identified this key factor were nationals and 56% were executives. From this analysis it can be seen that it was the majority of Colombian national executives who identified this key factor relating to sustainable development over both expatriates and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *As a Latin American underdeveloped country, we have many social problems that we, the government, have not been able to solve. When foreign companies come to establish business in Colombia I think that what they have is a moral obligation to help the communities that are near by. Unfortunately, this has become the norm rather the exception. Social responsibilities belong entirely to the government. [A7N]*

- *See Mining Council of Australia (MCA) "Enduring Value" which defines how expatriate companies should operate in a foreign country and defines social responsibilities. [A1E]*

- *Social responsibilities are the same if expatriate management are being responsibly sensitive to local customs and cultures. Sustainable development must take local cultures, customs and needs into account. [A1E]*

- *In terms of our company most managers expatriate and national assume some social responsibility. The degree may vary between expatriates and nationals because expatriates also feel a responsibility to their own country. [A5E]*

Key Factor 3: Developing a code of conduct. This key factor was identified as the third most significant by 58% of the 24 executives interviewed that there was a need to develop a code of conduct in relation to their understanding of how business ethics and social responsibilities have influenced effective leadership practice for senior executives in the Colombian coal mining industry. The various interviewees who identified this factor demonstrated an understanding of this factor by identifying the following issues as the most significant in relation to this factor:

- *Define how multinational companies should operate in a foreign country*
- *Defines social responsibilities*
- *Bribery and kickbacks*
- *Relationships with government officials*

The executives in case A at 43%, followed by 29% for cases A and C, identified the need to develop a code of conduct in relation to business ethics and social responsibilities as a key factor in effective leadership practice. When looking at cross-cluster analysis of this data, 64% of those who identified this key factor were nationals and 64% were executives. From this analysis it can be seen that significantly more

Colombian nationals identified this factor than expatriates and more were executives than senior executives. The various interviewees who identified this factor demonstrated an understanding of this issue in the following examples of their responses:

- *I think that the key issue is to establish the proper ethics policy within the company in order to define what can be permitted and what can not. This may differ from country to country where because of cultural norms something is considered as a norm. [A7N]*

- *Adequate corporate governance. Clarity in procedures and decision making. Fixed promotion rules/career development. Appropriate communication channels. Traffic of influence shall be inhibited internally and externally. Social responsibility.[C1N]*

- *Colombian culture is seen by outside world to be more corrupt and more violent than some Western countries. Colombians have learned to survive in this environment. [A1E]*

- *Here it is a common practice to accept bribes kickbacks, etc. It occurs in other places but is not as acceptable or open. This was a common practice in Prodeco several years ago, but since been cleaned up there are no differences in our company because unethical behaviour is not acceptable. [A5E]*

- *In Colombia though, corruption and favours are still common practice and people grow up and live with it every day. (fraught and thefts will only be avoidable with rigorous procedures, controls and punishment in case of violation) [B1E]*

Key Factor 4: Define the nature and quality of relationships. This key factor was identified as the next most significant by 54% of the 24 executives interviewed. They responded that there was a need to define the nature and quality of relationships in relation to their understanding of how business ethics and social responsibilities have influenced effective leadership practice for senior executives in the Colombian coal mining industry. This is an issue that the executives of multinational mining companies operating in Colombia will find themselves confronted by soon or later and the interviewees who identified this factor demonstrated an understanding of this issue in the following examples of their responses:

- *Local communities and their indigenous peoples.*
- *The environment.*
- *Stakeholders including shareholders.*
- *Customers.*
- *Business partners and suppliers.*

The executives in case B represented 38% of the interviewees who identified this key factor followed equally by both cases A and C each at 31%. When looking at cross-cluster analysis of this data both expatriate and national executives identified this factor as significant with a 54% and 46% response respectively. The same distribution of responses was found between executives and senior executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Definitively no differences. Senior managers all share the same strict, traditional Anglo-Saxon, code of ethics. [B6N]*

- *Expatriates do not have an initial clear vision of what could be considered the "grey" area between what can and can't be done. Nationals will tend more towards actions that fall within above mentioned area. [C1N]*

- *Having a strong corporate social responsibility practice with all your stakeholders. [C5N]*

- *Employment of local labour on site, off site purchase of items (local made) cloths consumable, transport of employees, sponsorship of sport and discussions with local councils. [A3E]*

- *Transmitting the idea that it is not just shareholders that are benefiting from the business and this is very important due to social conflicts in the area. [A8N]*

Key Factor 5*: *Dealing with violence and corruption. Interviewees also identified that dealing with violence and corruption was a key factor relating to how business ethics and social responsibilities have influenced effective leadership practice for senior executives in the Colombian coal mining industry and this was identified by 29% of the participating 24 executive managers. Dealing with violence and corruption was seen to impact at multiple levels on these organisations and influence the management of these

organisations. The various interviewees who identified this factor demonstrated an understanding of this issue in the following examples of their responses:

- *Guerrilla and paramilitary groups.*
- *Criminal gangs.*
- *Relationship with the military.*

The executives in case B represented 57% of the interviewees who identified this key individual factor, followed by 43% for case A. When looking at cross-cluster analysis of this data both expatriate and national executives identified this factor as significant with responses of 57% and 43% respectively. The same distribution of responses was found between senior executives and executives. An understanding of this issue by the various interviewees is demonstrated in the following examples of their responses:

- *Social responsibility has become a key issue for companies such as ours, especially in developing countries. You will not have a viable company, in the long run, it the company makes a lot of money, but your surrounding communities stay as poor as before. Cerrejon cannot substitute the government, but it can certainly help the different communities to use their royalties in a more efficient way. In the end, the company must make every effort to ensure that not only their shareholders and their workers have a better future, but also their neighbouring communities. [B6N]*

- *"Social responsibility" is a new term in corporate life. Again, as I have said previously in this interview, the issue was to make money for the owners and all else did not matter.*

  Today, the leader not only looks into "his" company, but also into his surroundings. Social Responsibility creates community, and a "good" community is the basis for peace.

  I am sure, someone sitting in a "safe" country needs explanation for my former affirmation: Being "poor" has no relation for being "violent" (How do you explain extreme poverty in India, where people die on the streets from hunger, while affluent people walk by, decked in jewellery?). Certain political ideas have changed that very simple equation. One of the most effective manners in which to receive a positive image from the community is to help the community

in special projects. It is not "replacing inept or corrupt governments", but showing the community you are part of it. [C4N]

- *It has been necessary to engage the army to provide security services but at the same time to keep an arm's length relationship with them. Collaboration with armed forces in developing countries has been an area where multinational mining companies have been attacked by NGOs. [B4E]*

The question regarding do executives agree that business ethics has an impact on effective leadership practice required a response from 1 to 7 on a Likert semantic differential scale inscribed between two bipolar phrases which in this case were *strongly disagree* to *strongly agree* to indicate the degree to which the interviewee believed that business ethics has an impact on effective leadership practice.

Table 4.16 below indicates the average response for each of the three cases and also the cross-cluster analysis of this data.

Table 4.16: Do Executives agree that Business Ethics has an Impact on Effective Leadership Practice?

Issue	Cases			Cross-cluster Analysis			
	A	B	C	E	N	Se	Ex
Do you agree that business ethics has an impact on effective leadership practice?	4.4	6.1	6.8	4.8	6.1	6.2	5.1

Source: produced for this study

The results for the three cases indicate that executives do believe that business ethics has an impact on effective leadership practice as 4 was the neutral response and all cases responded above this value, with an average result of 5.5. The executives in cases B and C responded with an average scores of 6.1 and 6.8 respectively, which indicate very little difference in opinion, however, the interviewees in case A scored an average of 4.4 which was still slightly affirmative. For the cross-cluster analysis there was a difference in the results for both expatriates and nationals at 4.8 and 6.1 respectively. The variation observed was between senior executives and executives at 6.2 and 5.1 respectively. From this it is possible to conclude that in terms of whether business ethics has an impact or has influenced effective leadership practice, all executives believed in the affirmative with an average score of 5.5.

4.3.7.1. Summary

The analysis of the responses relative to RI 6 identified a number of common themes that emerged in regard to the level of understanding shown by the interviewees of how business ethics and social responsibilities have influenced effective leadership practice for senior executives in the Colombian coal mining industry. The questions presented in the survey were seeking to determine executive managerial understanding of what key factors existed in relation to effective leadership practice in the context of the Colombian coal mining industry and what level of understanding existed in regard of these key factors. These were, in order of the magnitude of the responses: *effective management of business ethics by example and behaviour, sustainable development must take local cultures, customs and needs into account, developing a code of conduct, define the nature and quality of relationships,* and *dealing with violence and corruption.*

The responses identified that the issue of the *effective management of business ethics by example,* identified by 79% of interviewees, and was considered significant at all levels throughout the mining industry in Colombia. It was seen that the management of this organisational issue must be initiated and driven from the top down and that management must lead by example.

It was identified that *sustainable development must take local cultures, customs and needs into account* was the second most significant key factor, identified by 75%, in regard to how business ethics and social responsibilities have influenced effective leadership practice for senior executives in the Colombian coal mining industry.

Another factor identified was the need to recognise that *developing a code of conduct,* identified by 58%, and was also considered important in relation to the influence of business ethics and social responsibilities on effective leadership practice for senior executives in the Colombian coal mining industry. It was identified that there was a need to define how multinational companies should operate in a foreign country and it was necessary to defines social responsibilities and be aware of the existence and implications of not dealing with the issues of bribery and kickbacks specifically in regard to relationships with government officials.

Defining the nature and quality of relationships was identified by 54% of interviewees as a key factor in determining how business ethics and social responsibilities have

influenced effective leadership practice for senior executives in the Colombian coal mining industry. An understanding of the issues involved in dealing and the development and ongoing maintenance of relations with local communities and their indigenous peoples was considered important, as well as the environment in terms of trust, tolerance and understanding in regard to business ethics and social responsibilities. It was identified that the issue of business and social responsibility must involve all stakeholders who include, but not necessary limited to, shareholders, customers, business partners and suppliers.

The last issue identified as necessary for successful implementation of business ethics and social responsibilities is the need to have the necessary understanding, skills and expertise in *dealing with violence and corruption*, identified by 29%. The issues were identified as impacting on effective leadership practice in regard to providing stability within the confines of the various business locations and in the surrounding communities. The issues identified relate to, but are not limited to, guerrilla and paramilitary groups, criminal gangs and relations with the military.

The results indicate that executives do believe in the affirmative that business ethics has an impact on effective leadership practice.

4.4. Data Analysis Summary

The purpose of this chapter was to present the findings to the six research issues developed from the analysis of the data of the multiple cases used in this study.

It is the intention, using this case study methodology, to provide an insight into the research question; ‘how do senior executives in the Colombian coal mining industry relate to effective leadership practice?’ and this was guided by the following six research issues.

The analysis revealed that in order to have effective leadership it was first necessary to determine that the executives could understand and describe what they believed effective leadership to be in the context of their environment. These findings are revealed in tables 4.16 to 4.19. and indicate that the executives interviewed generally have a good understanding of the influences and impacts on effective leadership practice in the Colombian coal mining industry, but that communication, ongoing training and development are essential at all levels within the organisations. The

executives were positive in their outlook in regard to these issues and believed that, with commitment, the issues could be effectively managed.

Research issue 1: How do senior executives in the Colombian coal mining industry describe effective leadership practice?

Table 4.17: Summary of Results Describing Effective Leadership Practice.

Attribute	Summary	% of Interviewees
1	*Employee commitment and involvement*	79
2	*Political and cultural astuteness*	63
3	*Identifying and accomplishing goals*	33
4	*Ability to communicate*	33
5	*Required mindset*	29
6	*Empowerment*	17
7	*Managing change*	13
8	*Maximising benefits for key*	8

Source: produced for this study

Research issue 2: What are the key individual factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

Table 4.18: Summary of Results Describing Key Individual Factors relating to Effective Leadership Practice.

Key Individual Factor	Summary	% of Interviewees
1	*Knowledge and understanding of cultural differences.*	83
2	*Communication and recognition of language issues.*	79
3	*Need to be focused and results oriented.*	42
4	*Education and training.*	42
5	*Motivation and Participation.*	33
6	*Delegation and empowerment.*	25
7	*Ethical behaviour.*	21
8	*Responsibility and accountability.*	13
9	*Concept of time and effective time management.*	8

Source: produced for this study

The results for the analysis indicated that barriers were perceived to exist between expatriates and nationals, but that they were not significant and there was very little difference in the results for expatriates and nationals or for senior executives and executives in terms of their belief that barriers exist.

Research issue 3: What are the key situational factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

Table 4.19: Summary of Results Describing Key Situational Factors relating to Effective Leadership Practice

Key Situational Factor	Summary	Identified Issues
1	*Culture* 88%	• *Colombian culture is very much reactive versus a proactive culture.* • *Safety attitudes are different and are considered high risk versus the expatriate approach.* • *The need to change from a traditional family orientated, class distinct system to a more merit based system for the appointment of leaders,* • *The need for more "participative" style of leadership based on capability rather then connections.* • *The lack of job security and alternate employment tends to create a subservient culture.* • *Fear of authority* • *Factionalism* • *Language*
2	*Management Styles.* 83%	• *Time Keeping* • *Planning* • *Satisfying the needs of shareholders* • *Alignment of goals* • *Change management* • *Participation* • *Results orientated*

Key Situational Factor	Summary	Identified Issues
3	*Social environment* 54%	• *Community issues* • *Poverty* • *Relationship building* • *Respect and trust* • *Unrealistic expectations* • *Local politics and corruption*
4	*Government* 29%	• *Very bureaucratic and slow* • *Country instability* • *Political groups trying to obtain benefits.* • *Frequent changes in legislation. (Tax, labour)* • *Opportunistic lawsuits without any due support.* • *Agendas of public employees (sometimes hard to understand).*
5	*Ethics* 13%	

Source: produced for this study

The results also indicate that organisational change has a slight impact in promoting effective leadership practice and there was very little difference in the results for expatriates and nationals. The only variation observed was between senior executives and executives. From this, it is possible to conclude that in terms of whether organisational change has a slight impact in promoting effective leadership practice the senior executives believe in the affirmative, while executives believed that there was a very slight negative impact.

The results also indicate that the interviewees believe that the integration of expatriate and national managers with each other was very important and there was very little difference in the results for expatriates and nationals. It is possible to conclude that the importance of the integration of expatriate and national managers with each other was considered very important in promoting effective leadership practice.

Research issue 4:How have strategic agendas influenced effective leadership practice for senior executives in the Colombian coal mining industry?

Table 4.20: Summary of Results Describing Key Factors relating to Strategic Agendas and Effective Leadership Practice

Key Factor	Summary	Identified Issues
1	*Establishment of strategic agenda.* 96%	• *Developed at a senior management level* • *Developed with involvement by shareholders* • *Support by external consultants*
2	*Requirements for success* 63%	• *Training and exposure of junior Colombian management.* • *High quality and experienced expatriate management.* • *Continuous improvement.* • *Buy-in by all parties.* • *Communication.* • *Flexibility and open mindedness.* • *Education and training.*
3	*Impacts and Influence* 50%	• *Empowerment and.* • *Accountability provides direction and motivation.* • *Growth.* • *Positive influence.* • *Commitment.* • *Develops a team.*
4	*Goal setting and common objective.* 25%	• *Establish policies and procedures.* • *Develop a set of organisational objectives.* • *Develop performance benchmarks.* • *Develop attainable goals.*
5	*Vision for the future* 25%	• *Develop top down pyramid.* • *Vision.* • *Mission.* • *Goals.* • *Strategies.* • *Tactics.* • *Action plans.* • *Goal alignment.*

Source: produced for this study

The results indicate that executives do believe that strategic agendas have influenced effective leadership practice and there was no difference in the results for both expatriates and nationals. From the results, it is possible to conclude that in terms of

whether strategic agendas have influenced effective leadership practice, if at all, both senior executives and executives believed in the affirmative.

Research issue 5: How have organisational change and innovation initiatives influenced effective leadership practice for senior executives in the Colombian coal mining industry?

Table 4.21: Summary of Results Describing Key Factors relating to Organisational Change and Innovation Initiatives and Effective Leadership Practice

Key Factor	Summary	Identified Issues
1	*Understanding and managing organisational change* 75%	• *Initiation responsibilities.* • *Characteristics.* • *Planning.* • *Roles and responsibilities.* • *Identifying and dealing with risks.*
2	*Organisational Culture Change* 67%	• *Leadership.* • *The people—relationships.* • *Defining values.*
3	*Training and coaching* 54%	• *Participation.* • *Setting own goals and objectives.* • *Measurement and evaluation.* • *Ownership and engagement.* • *Encourage diversity.*
4	*Communicating change effectively* 46%	• *Defining responsibilities.* • *Impacts.* • *Objectives and outcomes.* • *Trust and respect*
5	*Innovation and focus* 29%	• *Cost benefits.* • *Collaboration.* • *Implementation.* • *Innovation values.* • *Adding value.*

Source: produced for this study

Research issue 6: How have business ethics and social responsibilities influenced effective leadership practice for senior executives in the Colombian coal mining industry?

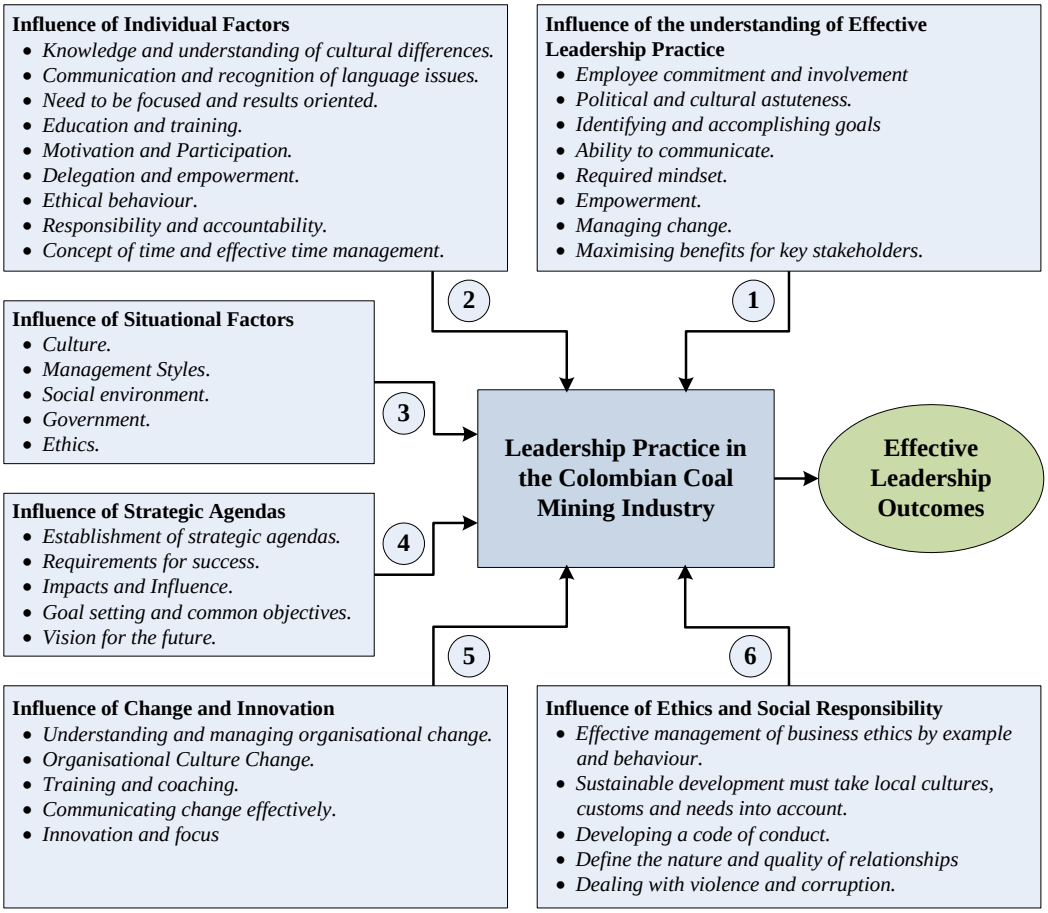
Table 4.22: Summary of Results Describing Key Factors relating to Business Ethics and Social Responsibilities and Effective Leadership Practice

Key Factor	Summary	Identified Issues
1	*Effective management of business ethics by example and behaviour* 79%	
2	*Sustainable development must take local cultures, customs and needs into account* 75%	
3	*Developing a code of conduct* 58%	• *Define how multinational companies should operate in a foreign country* • *Defines social responsibilities.* • *Bribery & kickbacks* • *Relationships with government officials*
4	*Define the nature and quality of relationships.* 54%	• *Local communities and their indigenous peoples.* • *The environment.* • *Stakeholders including shareholders.* • *Customers.* • *Business partners and suppliers.*
5	*Dealing with violence and corruption.* 29%	• *Guerrilla and paramilitary groups.* • *Criminal gangs.* • *Relationship with the military.*

Source: produced for this study

The results indicate that executives do believe in the affirmative that business ethics has an impact on effective leadership practice. The results of the research issues are then summarised in terms of the framework for the original model for effective leadership practice in the Colombian coal mining industry in figure 4.3 below.

Figure 4.3 Final Model for Effective leadership Practice in the Colombian Coal Mining Industry



Source: produced for this study

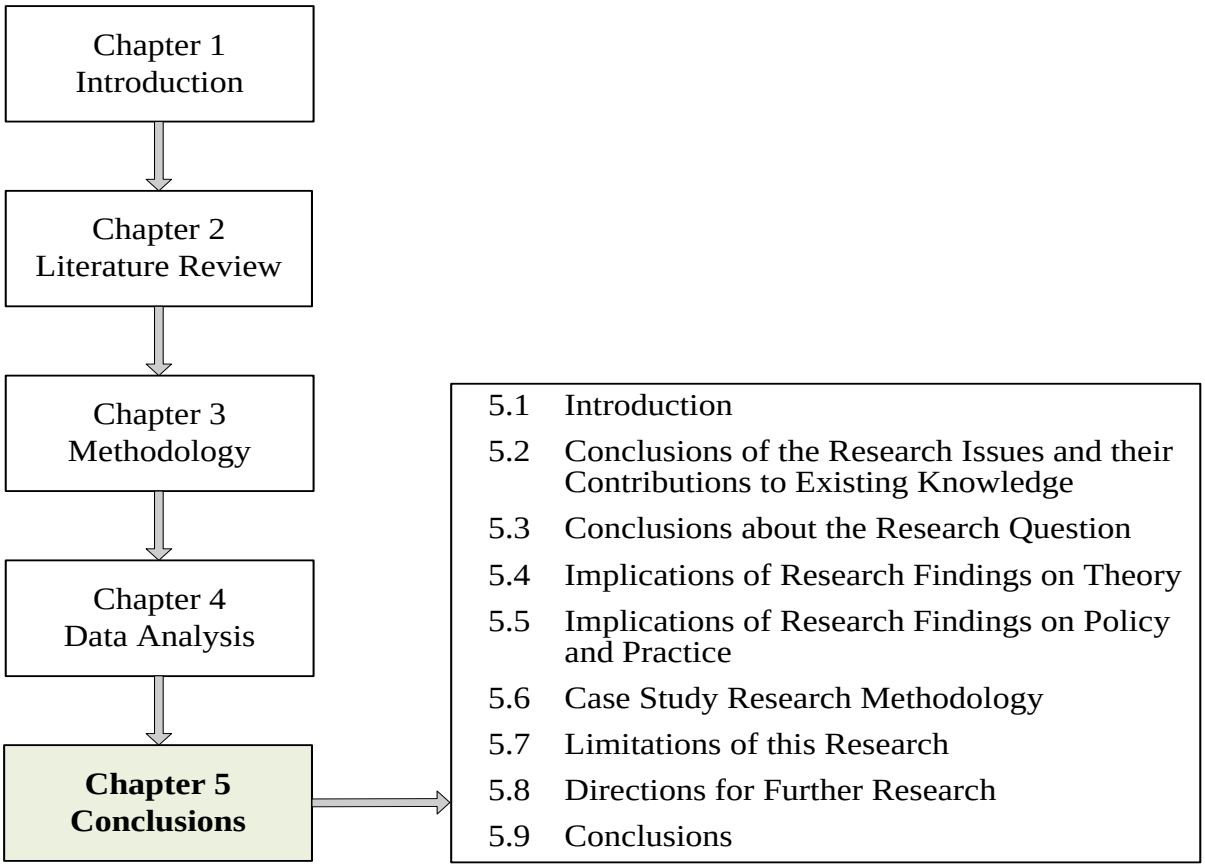
The following chapter will discuss and identify final conclusions, implications and limitations of the findings discussed in this chapter.

5. CONCLUSIONS

5.1. Introduction

While the previous chapter covered the analysis of the data obtained from the surveys of the six research issues for this dissertation, the objective of this chapter is to consider the conclusions of each of those research issues by contrasting the findings in the previous chapter and the relevant parts of the literature review undertaken in Chapter 2 so as to identify the specific contributions of this study to the research question. In the process, an effective leadership model relating to the research question '*How do executives in the Colombian coal mining industry relate to effective leadership practice'* is confirmed.

Figure 5.1 Outline of the Research Conclusions, with section numbers noted

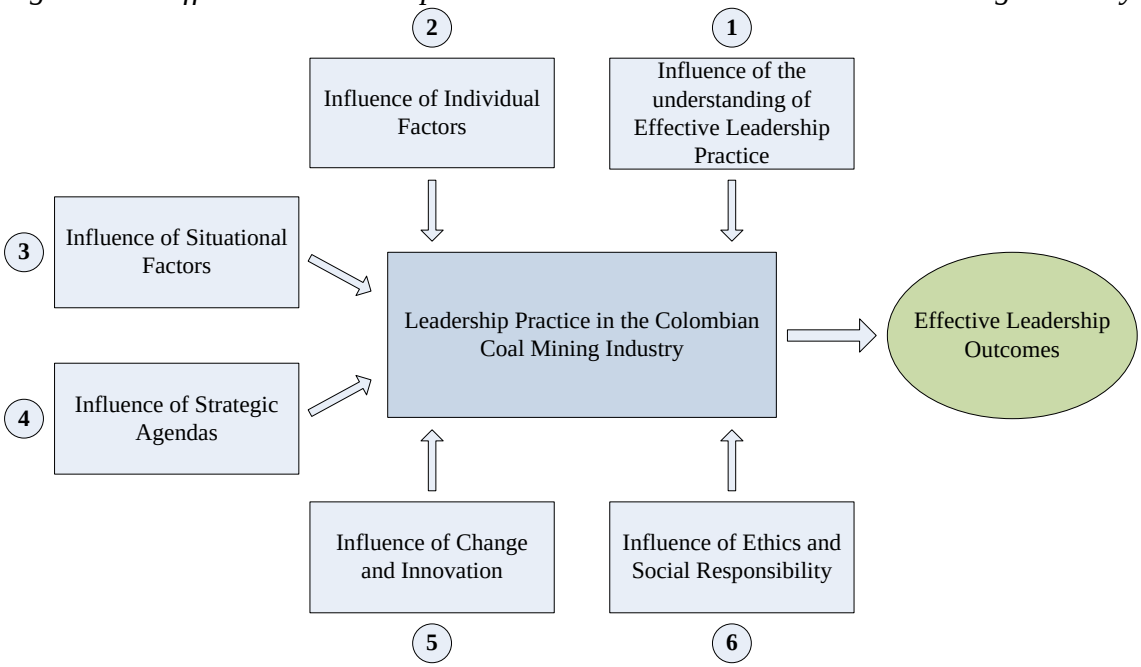


The first part of the chapter is a brief introduction of the case study research issues and then in section 5.2, a summary of the findings of each of the research issues is provided, relating these to the literature reviewed in Chapter 2, and identifying the agreement and disagreement with the literature. Following this, in section 5.3, is a discussion of the implications for understanding the research question with an analysis of the proposed research model in terms of the six research issues. In section 5.4 the implications of the

research findings on theory are discussed, then the identification of the implications of these research findings on policy and practice are covered in section 5.5. In section 5.6 there is a review of the case study research methodology used and in section 5.7 there is a discussion of the limitations of this research. Suggestions on directions for future research are provided in section 5.8 and, finally, a summary of the conclusions reached in this research is covered in section 5.9.

This chapter also discusses the findings of the investigation in relation to the proposed research question on *how executives in the Colombian coal mining industry relate to effective leadership practice in the Colombian coal mining industry* and was guided by the following six research issues model, previously developed and restated below for convenience, and the research question is conceptualised in terms of the relationship of the six research issues in Figure 5.2 below.

Figure 5.2 Effective Leadership Practice in the Colombian Coal Mining Industry



Source: produced for this study

The research study into how executives in the Colombian coal mining industry relate to effective leadership practice was guided by the following six research issues:

RI 1: *How do executives in the Colombian coal mining industry describe effective leadership practice?*

RI 2: *What are the key individual factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?*

RI 3: What are the key situational factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

RI 4: How have strategic agendas influenced effective leadership practice for executives in the Colombian coal mining industry?

RI 5: How have organisational change and innovation initiatives influenced effective leadership practice for executives in the Colombian coal mining industry?

RI 6: How have business ethics and social responsibilities influenced effective leadership practice for executives in the Colombian coal mining industry?

This chapter also reviews the contribution of the investigation to the body of theory on effective leadership theory, along with practical implications of the investigation's conclusions within the context of the literature and their implications for both theory and practice.

5.2. Conclusions of the Research Issues and their Contributions to Existing Knowledge

In this section, the study's findings for each of the six research issues are discussed and compared with the existing literature.

5.2.1. Research issue 1: How do executives in the Colombian coal mining industry describe effective leadership practice?

This first research issue sought to identify what the interviewees defined as effective leadership practice in the context of the Colombian coal mining industry. There were 8 attributes identified relating to this research issue and, of these, the first 2 dominate the results which are not particularly extensive when looking at the results and the weightings shown in the table 5.1 below.

Table 5.1: Summary of Results Describing Effective Leadership Practice

Attribute	Summary	% of Interviewees
1	*Employee commitment and involvement*	79
2	*Political and cultural astuteness.*	63
3	*Identifying and accomplishing goals*	33
4	*Ability to communicate.*	33
5	*Required mindset.*	29
6	*Empowerment.*	17
7	*Managing change.*	13
8	*Maximising benefits for key stakeholders.*	8

Source: produced for this study

Analysis

The analysis of the responses relative to RI1 indicates that the perceptions that executives have of effective leadership practice can have an influence on their own behaviours in leadership and, hence, it is important to identify the underlying beliefs they articulate on the concept.

The understanding of Effective Leadership Practice

These findings reveal that the executives interviewed generally were able to define effective leadership practice and were able to identify the influences on effective leadership practice in the Colombian coal mining industry, in particular they identified that communication, ongoing training and development are essential at all levels within their organisations. The executives were positive in their outlook in regard to these issues and believed that, with commitment, the issues could be effectively managed.

The majority of the executives interviewed defined *Employee commitment and involvement,* as the most significant attribute in regard to effective leadership practice, this result agrees with the work of Blunt and Merrick (1997) that identified that in the Western functionalist paradigm, leadership is legitimised largely on the basis of performance, and the emphasis placed on the leader's central role in building organisational culture implies the necessity to cultivate employee commitment, involvement and morale.

The second most identified attribute, *Political and cultural astuteness,* was viewed in the context of the evolution of leadership practice in traditional Colombian companies. This is in clear contrast to the Western functionalist paradigm where emphasis is placed on autonomy, competition between individuals and groups, performance and self-assertion. Empirical evidence of this divergence is to be found in a study conducted by Smith et al. (1989) who observed that in Western cultures (Britain and the USA), which are characterized by individuality, much greater pressure to perform is placed on subordinates than is the case of other cultures and the reasons for this differ from culture to culture. Since the entry of multinational companies into the mining industry in the 1980s the previously established leadership culture has been shifting to a more westernised model.

The responses indicated a trend that the respondents felt that effective leadership in the Colombian coal mining industry was attributed to collective or team management processes, as opposed to individual effort. Other key issues identified related to the specific environment of large multinational companies working in a developing country, namely, the correct use of political and economic power**,** political awareness, complying with the law and good community relations, and managing external factors (e.g. poverty/public safety. Additionally, it includes paying fair wages to the employees, and fair compensation to suppliers, Awareness and acceptance of local culture and behaviour and local business relationships were also considered important in terms of effective leadership practice.

Then, there were the universal attributes identified as effective communication, motivation, empowerment, commitment, alignment of personal vs. company goals, ownership and belonging, as well as managing change and effective problem solving.

The influence of the understanding of effective leadership practice by executives in the Colombian coal mining industry can be summed up as having the required mindset, the ability to manage change, achieve employee empowerment, commitment and involvement, the ability to communicate, political and cultural astuteness in identifying and accomplishing goals in tandem with maximising benefits for key stakeholders.

The identification of the impact of a leader's mindset on effective leadership is supported by the work of McKenna (1999) who takes a contemporary approach to managing and identifies that the modernism perspective expressed through classical management has created the perception that current management does not include the mindsets. Packman (2002) also reinforces the findings of this study that mindsets directly impact leadership behaviour.

These findings tend to agree with the research by Greenhalgh (2006) on transformational leadership which reflects leadership with the capacity to direct others to undertake new tasks, as opposed to transactional leadership identified by Bass, (1985) where leaders stress specific benefits that their subordinates would receive by accomplishing agreed-upon tasks. Also, as Bass (1985) identified, transformational leaders motivate their followers by inspiring them, offering challenges, and encouraging individual development and transformational leadership stresses achievement of higher collective purpose, of common mission and vision.

5.2.2. Research issue 2: What are the key individual factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

This second research issue sought to identify what the interviewees defined as the key individual factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry. There were 9 key factors identified relating to this research issue and, of these, the first 2 dominate the results while the next 3 could be considered as reasonably significant based on the results and the weightings shown in table 5.2 below.

Table 5.2: Summary of Results Describing Key Individual Factors relating to Effective Leadership Practice

Key Individual Factor	Summary	% of Interviewees
1	*Knowledge and understanding of cultural differences.*	83
2	*Communication and recognition of language issues.*	79
3	*Need to be focused and results oriented.*	42
4	*Education and training.*	42
5	*Motivation and Participation.*	33
6	*Delegation and empowerment.*	25
7	*Ethical behaviour.*	21
8	*Responsibility and accountability.*	13
9	*Concept of time and effective time management.*	8

Source: produced for this study

Analysis

The analysis of the responses relative to RI2 indicates that based on the perceptions that the interviewees have of the key individual factors that are perceived to promote or inhibit effective leadership practice in the Colombian coal mining industry a number of common themes emerged.

Influence of Individual Factors

These findings revealed that the executives interviewed generally were able to identify the influences of these key individual factors and their impacts on effective leadership practice in the Colombian coal mining industry. They identified 9 key individual factors

impacting on effective leadership practice, as shown in order of their perceived significance and discussed below.

The extent of *knowledge and understanding of cultural differences* was a key factor that impacted on effective leadership practice. Additionally there was found to be a need to have conciliation, open operating structures, openness to input by others, as well as the need for patience, understanding and tolerance. These results were in line with issues of leadership cultures identified by Pilliet et al. (1999) such as what may be effective in one culture does not necessarily transfer to another; and the work of Hofstede (1995) who provided a generally-accepted foundation for understanding culture in cross-cultural environments and who defined culture as the 'collective mental programming of the mind which distinguishes the members of one category of people from another' (1995, p. 152). It also supports the findings of Erwee and Perry (1999) who confirmed that cross-cultural networks did not appear to develop through clearly-defined, predictable stages and also the need for awareness and understanding of cultural differences, even though, or because of, the perceptions of what is happening in the relationships in a particular period can be significantly different. The presence or otherwise of this attribute can seriously effect leadership practice and outcomes.

Interviewees identified that *communication and the recognition of language issues* was the second most significant key individual factor. Communication was seen to exist at multiple levels within these organisations and is, for example, not limited to directives from senior management down through the organisation. There was also identified the need to recognise that language was an issue and this was not only limited to the level of proficiency of expatriates in Spanish and nationals with English, but also the differences in what is said and what is understood based on culture and background experience. This is in general agreement with the work of Warner (2002, p.4) who identified ten characteristics of effective leaders and they are vision, shared vision, empowerment, values, communication and trust, collaboration, networking and strategic alliances, charisma, partnerships and teamwork. There were issues which were unique to Colombia and they centered the influences of specific issues relating to culture, law, politics and ethics which are influencing factors unique to Colombia. There was also a degree of alignment with the work of Kouzes and Posner (2002) who consider the five fundamental practices of exemplary leadership to be challenging the process, inspiring a shared vision, enabling others to act, modeling the way, and "encouraging the heart".

Quite simply, say the authors, "the best leaders care." They recoginse the importance of managers who encourage people and who are more appreciative of their direct reports, in almost all cases, it was found that very small efforts to encourage workers yield very positive results As argued by House et al. (1997), it is likely that there are both some leader behaviours that are universally accepted and effective, and some for which acceptance and effectiveness is culture-specific.

Also, this is in agreement with the finding on communication and language by Wederspahn (2000) who found that when a person from one cultural background conceives a thought and encodes it, verbally or non-verbally, then transmits it to a person in another culture, the recipient decodes the message to understand the intended meaning. He found that this process is by no means trouble-free even if the two people share a common language and culture but when the message is sent through a cultural filter and between, English with non-native English speakers, a breakdown of communication is likely because the decoding is influenced by a set of values, attitudes, beliefs, preconceptions, and expectations that are different from those of the sender.

Interviewees also responded that there was a *need to be focused and results oriented*. In order to achieve this they identified the requirement to establish and explain the company's objectives and demonstrate tolerance in the way they allow employees to achieve these objectives. This aligns with the work of Fiedler (1967) who found that task-oriented leaders are more effective in extremely favourable or unfavourable situations, whereas relationship-oriented leaders perform best in situations with intermediate favourability. According to Fiedler, there is no ideal leader. Both task-oriented and relationship-oriented leaders can be effective if their leadership orientation fits the situation.

Additionally, they believe that there is a need to invest heavily in *education and training* due to lack of experience on the part of the national workforce. This key factor was identified because neither the executives nor the workforce in Colombia have any significant exposure to large-scale mining operations and the background of the majority of the workforce is rural subsistence agriculture.

The nationals at all levels are willing and focused towards acquiring the necessary skills. They only have to receive the necessary education and training. Also identified was the requirement to provide the necessary levels of *motivation and encourage*

participation from all levels of management and the workforce, as well as the need for *delegation and empowerment* of individuals within the mining organisations. The need for the establishment of clear rules on *ethical behaviour* in the organisation, and the strengthening of organisational integrity, was also identified as a key individual factor in relation to effective leadership practice, as was the need for a willingness to accept responsibility for one's actions and the need for individuals to accept accountability for the results of their own decision making.

The results also indicate that barriers do exist between expatriate and national managers, but are not significant. There was very little difference in the results for expatriates and nationals, or for senior executives and executives, in terms of their belief that barriers exist.

As Robbins (2003, p. 320-23) identified, one way that contingency theories differ from behavioral theories is that they include situational factors. More importantly, contingency theories isolate the key situational variables. The Fiedler contingency model proposed that ‘effective groups depend on a proper match between a leader’s style of interacting with subordinates and the degree to which the situation gives control and influence to the leader’. His research findings showed that task-oriented leaders perform best in high and low control situations, while relationship oriented leaders perform best in moderately controlled situations. Overall, substantial parts of this theory can be supported in the finding derived from these results.

5.2.3. Research issue 3: What are the key situational factors that are perceived by executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

This third research issue identifies what the interviewees understood to be the key situational factors that promote or inhibit effective leadership practice in the Colombian coal mining industry.

Table 5.3: Describing the Key Situational Factors relating to Effective Leadership Practice

Key Situational Factor	Summary	% of Interviewees
1	*Culture*	88%
2	*Management Styles.*	83%
3	*Social environment*	54%
4	*Government.*	29%
5	*Ethics.*	13%

Source: produced for this study

The analysis of the responses relative to RI3 found 5 key factors of which 3 were the most identified in regard to the perception shown by the interviewees. These key situational factors impacting on effective leadership practice are shown in table 5.3 below in order of their perceived significance.

Analysis

The analysis of the responses relative to RI3 identified the key situational factors that are perceived by the interviewees to impact on executives and influence effective leadership practice in the Colombian coal mining industry and a number of common themes emerged.

Influence of Situational Factors

These findings revealed that the executives interviewed generally were able to identify the influences of these key situational factors and their influences on effective leadership practice in the Colombian coal mining industry. They identified 5 key situational factors impacting on effective leadership practice, as shown in order of their perceived significance and discussed below.

The responses identified that the issue of *culture* impacted at all levels throughout the mining industry in Colombia, and whether it was a reactive attitude to management, operations and planning or the attitude to safety, the impact was significant. Colombians have a long history of being traditionally family orientated and a class distinct system and multinational companies in Colombia operate a merit based system for the appointment of leaders which are culturally very different. The need for more 'participative' style of leadership based on capability rather than connections has also been identified. Also, due to extremely high unemployment levels in Colombia the lack of job security and alternate employment options tends to create a subservient culture with a fear of authority. The combination of expatriates and nationals with the Colombian class system, as well as the mix of Colombian 'Spanish' and indigenous populations has always caused factionalism within all levels of the workforce.

From the results it is possible to conclude that the importance of integration, irrespective of cultural differences, of expatriate and national managers with each other was considered very important in promoting effective leadership practice. The interviewees indicated that they believed that integration of expatriate and national managers with each other was very important and there was very little difference in these results for expatriates and nationals. This follows the work of House et al. (1997) who advanced a theory of cross-cultural leadership which asserted that expected, accepted, and effective leader behaviour varies by cultures and, according to the theory, the importance placed on, and effectiveness of, person and task-oriented leader behaviours are contingent on the culturally endorsed implicit theories of leadership (CILTs) of the broader social system. The results also confirmed the work of Lord and Maher (1991) and Ayman (1993) who established that implicit leadership theory is especially useful for the cross-cultural study of leadership and that if cultural values and norms influence commonly held implicit theories of leadership, then one would expect these theories to vary by culture.

Management style was identified as a situational factor by the interviewees and seen to impact at multiple levels within these organisations and influence effective leadership practice. The issues identified as the most significant in relation to enabling effective management were concept of time and time management, planning, satisfying the needs of shareholders, alignment of goals, the ability to handle change management, active participation and being results orientated—which aligns with the work of Northouse

(2004) who asserted that the basic premise of situational theory is that different situations demand different kinds of leadership.

In countries such as Colombia, multinational companies will find themselves operating in a unique *social environment* surrounded by indigenous people living in extreme poverty and a low educational base. In many cases, these people will be the labour pool from which the company must recruit and develop its workforce. This situation requires careful management in order to provide mutually beneficial outcomes. These findings correspond with research by Vaill (1996) who conducted studies in Bogota, Colombia and found that, in some respects, Colombia resembles the complexity of advanced industrial societies.

While ethics ranked at the lower end of the responses it is in line with the findings of Sinclair (1993) who identified that the ethics that guide the individual actions are based on principles formed by long-term influences that extend beyond the organisation. However, organisations can shape and control employees' and managers' behaviour through formalized rules, economic rewards and sanctions, and the values and norms that represent corporate culture

The findings were also generally in accordance with the works of Fiedler (1967) who identified that the optimal organisation/leadership style is contingent upon various internal and external constraints; and Robbins (2003) who identified that one way that contingency theories differ from behavioral theories is that they include situational factors and that contingency theories isolate the key situational variables. Additionally, the responses indicated agreement with Straker (2008) who stated that contingency theory is similar to situational theory in that there is an assumption of no simple one right way; and with Hersey and Blanchard (2000) who found that situational leadership is a contingency theory that focuses on followers.

The results concluded that the executives interviewed generally were able to define these key situational factors and their impacts on effective leadership practice in the Colombian coal mining industry.

5.2.4. Research issue 4: How have strategic agendas influenced effective leadership practice for executives in the Colombian coal mining industry?

This fourth research issue seeks to determine the understanding shown by the interviewees of how strategic agendas have influenced effective leadership practice for

executives in the Colombian coal mining industry. The analysis of the responses relative to RI4 identified 5 key common themes, of which 3 were considered as significant and they identified these key factors impacting on effective leadership practice as shown in order of their perceived significance in table 5.4 below.

Table 5.4: Describing Key Factors relating to Strategic Agendas and Effective Leadership Practice

Key Factor	Summary	% of Interviewees
1	*Establishment of strategic agendas.*	96%
2	*Requirements for success.*	63%
3	*Impacts and influence.*	50%
4	*Goal setting and common objectives.*	25%
5	*Vision for the future.*	25%

Source: produced for this study

Analysis

The analysis of the responses to RI4 revealed that the executives interviewed were able to identify the influences of strategic agendas and their impact on effective leadership practice in the Colombian coal mining industry.

Influence of Strategic Agendas

The results indicate that executives do believe that strategic agendas have influenced effective leadership practice and there was no difference in the results for both expatriates and nationals. From the results, it is possible to conclude that in terms of whether strategic agendas have influenced effective leadership practice, if at all, both senior executives and executives believed in the affirmative. This is in line with the work of Sinclair (1993) who found that organisations can shape and control employees' and managers' behaviour through formalized rules, economic rewards and sanctions, and the values and norms that represent corporate culture; and the findings of Hitt and Keats (1992) who found that the appropriate strategic agenda can help regulate and control employee behaviour, As a result, strategic leadership promotes the simultaneous use of strategic controls and autonomy.

The responses identified that the issue of the *establishment of strategic agendas* was considered significant at all levels throughout the mining industry in Colombia. It was seen as being driven from the top down, but with the requirement of involvement at all within in the organisations in order to get ‘buy-in’ and a sense of ownership at all levels.

There was also identified the need for company strategic agendas to be developed with involvement by the shareholders and that this process should be facilitated by, or with the help of, 'expert' external consultants. This aligns with the work of Hitt and Keats (1992) who identified that the appropriate strategic agenda can help regulate and control employee behaviour, while strategic controls can be used to promote the sharing of both tangible and intangible resources among independent businesses within a corporate portfolio; and that strategic leadership promotes the simultaneous use of strategic controls and autonomy.

Defining the *requirements for success* was the second most significant key factor in regard to strategic agendas and effective leadership practice. The issues identified as the most significant in relation to enabling effective strategic management were the nurturing, training and exposure at an early stage of high potential junior Colombian managers to effective leadership practices via management training and possibly overseas assignment. This is consistent with the findings of Boal and Hooijberg (2000). Also identified was the need to have high quality and experienced expatriate management. Other issues identified were the need for a continuous improvement program, the buy-in by all parties concerned and continuous and effective communication identified by Hofstede (1980) and Wederspahn (2001), as well as flexibility and open mindedness, and continuous and extensive education and training.

Another factor identified was the need to recognise the *impacts and influence* of strategic agendas on effective leadership practice. The issues which were identified as impacting on and influencing effectiveness of strategic agendas were empowerment and accountability. Kotter's (1990) work brought out the more subtle side of what managers do through agenda setting by contrasting management and leadership. The findings recognized that while people can be empowered to carry out their roles within the organisation they must also realise that they are accountable for their actions. This agrees with the research of Kaufmann, Kraay and Mastruzzi (2003) and the findings of Zackrison (1998). Management at all levels within the organisation must provide direction and motivation to those under their control. The growth of the organisation was seen as having a positive effect on the success of the implementation of strategic agendas and from this would follow the feeling of commitment which assists in the spirit of team building.

Goal setting and the identification of common objectives had a significant impact on the efficiency and effectiveness of business activities in relation to company strategic agendas and, hence, on effective leadership practice. The relevant issues which were identified in relation to this factor were the need to establish policies and procedures and to develop a set of organisational objectives, as well as development of performance benchmarks and setting attainable goals. This aligns with the work of Bass & Stogdill (1990) who researched common personal characteristics that transcend situational considerations.

A *vision for the future* was a key factor relating strategic agendas and their impact on effective leadership practice and the interviewees who identified this factor demonstrated an understanding of this issue by identifying the need to develop top down pyramid approach to establishing strategic agendas and, in doing so, first establish the organisation vision and mission statements and then from this develop company strategies and tactics to achieve the identified goals through a clear and concise set of action plans. This aligns with the work of Kotter (1990) who presents leadership as agenda setting, developing a vsion and aligning people to that vision and motivating and inspiring those people. This is also recognised by Kouzes and Posner (2002). Also identified was the need to effectively manage this process so as to achieve goal alignment and, hence, ownership by all employees so that they can see that the corporate goals will enable them to achieve their own personal goals. Both Kotter and Mintzberg recognised the importance of the individual as an effective manager. (McKenna 1999)

The results indicate that executives do believe that strategic agendas have influenced effective leadership practice and there was no difference in the results for both expatriates and nationals. From the results, it is possible to conclude that in terms of whether strategic agendas have influenced effective leadership practice, if at all, both senior executives and executives believed in the affirmative.

5.2.5. Research issue 5: How have organisational change and innovation initiatives influenced effective leadership practice for executives in the Colombian coal mining industry?

This fifth research issue seeks to determine the perception of the interviewees of how organisational change and innovation initiatives have influenced effective leadership practice for executives in the Colombian coal mining industry. The analysis of the

responses relative to RI5 identified 5 common themes that emerged. These key factors are shown, in order of their perceived significance, in Table 5.5 below.

Table 5.5: Describing the Key Factors relating to Organisational Change and Innovation Initiatives and Effective Leadership Practice

Key Factor	Summary	% of Interviewees
1	*Understanding and managing organisational change.*	75%
2	*Cultural change.*	67%
3	*Training and coaching.*	54%
4	*Communicating change effectively.*	46%
5	*Innovation and focus*	29%

Source: produced for this study

Analysis

The analysis revealed how organisational change and innovation initiatives have influenced effective leadership practice. These findings revealed that the executives interviewed were able to define the influences of organisational change and innovation initiatives and identify their impact on effective leadership practice in the Colombian coal mining industry.

Influence of Change and Innovation

The responses identified that the issue of *understanding and managing organisational change* was considered significant at all levels throughout the mining industry in Colombia. It was seen that the management of organisational change must be initiated and driven from the top down. The characteristics of organisational change needed to be clearly understood and the process requires careful and detailed planning, with roles and responsibilities to be clearly defined with an additional requirement that time be allocated to identifying and dealing with the risks involved in order to achieve successful implementation.

Organisational *cultural change* was the second most significant key factor in regard to o how organisational change and innovation initiatives have influenced effective leadership practice for executives in the Colombian coal mining industry. The issues identified as the most significant in relation to cultural change were leadership, the people in terms of relationships and the requirement for the defining of corporate and

personal values. In order to successfully implement organisational change it is necessary to have the leadership drive this change successfully while recognising the needs of the employees and to be able to develop and build better working relationships at all levels within the organisation. This relates to the work by Lei, Hitt and Bettis, (1990) who found that the appropriate corporate culture helps regulate and control employee behaviour, encourage an entrepreneurial spirit, foster and facilitate a long-term vision and that effective strategic leadership involves recognizing the need to change the culture and implement the changes.

Another factor identified was the need to recognise that *training and coaching* were important in the successful implementation of organisational change and innovation initiatives. The issues which were identified as impacting on effective leadership practice in regard to this topic were the need for active participation at all levels within the organisations in order to achieve ownership of and engagement in the process. There also needs to be a process of the establishment of measurable and attainable goals and objectives so as to enable measurement and evaluation. The encouragement of diversity from the workforce was also seen as important for positive organisational growth. This is in line with the work of (Lenz 1994 p. 155) who stated that 'This continuous flow of decision-making is the arena in which leaders exert leadership and organisational learning occurs' The authors including (Carnell 1995) and (Gioia 1986) assert that effective leadership is based on effective learning at the individual and organisational levels.

Communicating change effectively was identified as a key factor in determining how successful organisational change and innovation initiatives have been in influencing effective leadership practice, and had a significant impact on the efficiency and effectiveness of their business activities. The specific issues that were identified in relation to communicating change effectively were defining responsibilities, the potential impacts of not communicating effectively, as well as the expected objectives and outcomes. Moreover, the need for an environment of trust and respect at all levels within the organisations was also seen as important. This is in line with the work of Millett and Harvey (1999) who state that organisations can be conceived as problem-finding and problem-solving entities where decision-making processes become the central mechanisms for change and adaptation and

The last issue identified as necessary for successful implementation of organisational change and innovation initiatives was the need for *innovation and focus.* The issues which were identified as impacting on effective leadership practice in regard to this topic were the need for collaboration during and after the implementation phase as this was seen as a group process; and innovation involves moving away from a basic set of values to a new set of values that will add value to the organisation which, if done correctly and with commitment at all levels, will bring with it cost benefits. This aligns with the work of Hitt, Ireland & Hoskisson (1995) who addressed human capital and innovation as did Nassbaum (1998) as well as Chilton (1994) who identified that employees are the key source of the firm's competitive advantage.

5.2.6. Research issue 6: How have business ethics and social responsibilities influenced effective leadership practice for executives in the Colombian coal mining industry?

This sixth research issue seeks to determine how the interviewees are able to define how business ethics and social responsibilities have influenced effective leadership practice for executives in the Colombian coal mining industry. The analysis of the responses relative to RI6 identified 5 key themes that emerged in regard to the level of understanding demonstrated by the interviewees, shown in order of their perceived significance in Table 5.6 below.

Table 5.6: Describing the Key Factors relating to Business Ethics and Social Responsibilities and Effective Leadership Practice

Key Factor	Summary	% of Interviewees
1	*Effective management of business ethics by example and behaviour.*	79%
2	*Sustainable development must take local cultures, customs and needs into account.*	57%
3	*Developing a code of conduct.*	58%
4	*Define the nature and quality of relationships.*	54%
5	*Dealing with violence and corruption.*	29%

Source: produced for this study

Analysis

The analysis revealed that interviewees believed business ethics and social responsibilities have influenced effective leadership practice. These findings revealed

that the executives interviewed generally have a good perception of the influences of business ethics and social responsibilities and their impact on effective leadership practice in the Colombian coal mining industry.

Influence of Ethics and Social Responsibility

The results indicate that executives do believe in the affirmative that business ethics has an impact on effective leadership practice. The responses identified that the issue of *effective management of business ethics by example* was considered significant at all levels throughout the mining industry in Colombia and this supports the studies conducted on the issue of business ethics in Colombia by O'Brien (1999a; 1990b).

It was seen that the management of ethics and social responsibility must be initiated and driven from the top down and that management must lead by example.

It was identified that *sustainable development must take local cultures, customs and needs into account* was the second most significant key factor in regard to how business ethics and social responsibilities have influenced effective leadership practice for executives in the Colombian coal mining industry. This is in agreement with the work of Berman (1973) who stated that imposing the standards of a developed, first world country in the third world is criticized by some as a form of ethical imperialism and there are a significant number of parallels with the research by Erwee & Perry (1999) who, in their work, identified the specific issues of culture, law, politics and ethics in Indonesia, Malaysia and the Philippines.

Another factor identified was the need to recognise that *developing a code of conduct* was also considered important in relation to the influence of business ethics and social responsibilities on effective leadership practice for executives in the Colombian coal mining industry. It was identified that there was a need to define how multinational companies should operate in a foreign country and it was necessary to define social responsibilities and to be aware of the existence and implications of not dealing with the issues of bribery and kickbacks—specifically in regard to relationships with government officials. These findings support the work by Donaldson (1989, pp. 62-63) who stated that a maximal duty or obligation is one whose fulfillment would be 'praiseworthy but not absolutely mandatory', whereas a minimal duty is one such that 'the persistent failure to observe it would deprive the corporation of its moral right to exist'; and Raymond Vernon (Vernon 1974, pp. 287), states that '*The record shows that*

when U.S. enterprises operate in less developed countries, there is a very high probability that they will be charged from some quarters with various serious failings in terms of social responsibility'.

Defining the nature and quality of relationships was identified as a key factor in determining how business ethics and social responsibilities have influenced effective leadership practice for executives in the Colombian coal mining industry. An understanding of the issues involved in dealing with the development and ongoing maintenance of relations with local communities and their indigenous peoples was considered important, as well as the environment in terms of trust, tolerance and understanding in regard to business ethics and social responsibilities. It was identified that the issue of business and social responsibility must involve all stakeholders who include, but are not necessary limited to, shareholders, customers, business partners and suppliers. These results support the findings of Donaldson (1989) who identified that the requests of third world countries for help in improving living conditions and developing the local economy, although often expressed as demands for justice, are pleas for a kind of 'corporate philanthropy' that is, at best, a maximal duty and not a moral minimum and further impoverishing a people or violating a fundamental human right, however unintentionally, is a failure to observe minimal obligations that apply to all organisations.

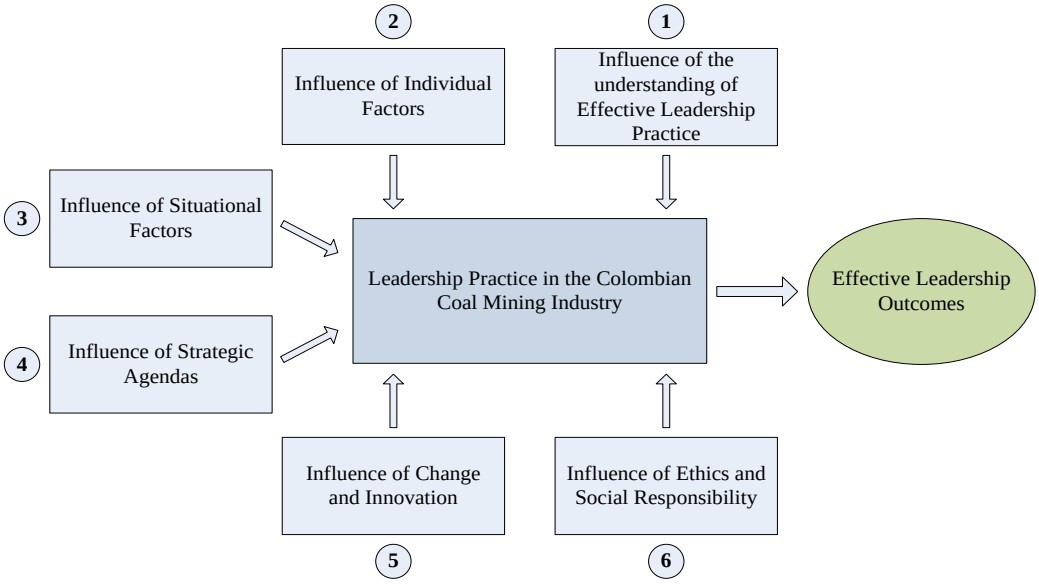
The last issue identified as necessary for successful implementation of business ethics and social responsibilities is the need to have the necessary understanding, skills and expertise in *dealing with violence and corruption.* The issues which were identified as impacting on effective leadership practice in regard to providing stability within the confines of the various business locations and in the surrounding communities related to, but were not limited to, guerrilla and paramilitary groups, criminal gangs and relations with the military. This agrees with the research of Kaufmann, Kraay Mastruzzi (2003) who stated that the main problematic areas of governability in Latin America are corruption, political instability and the lack of voice and accountability. It also agrees with the findings of Zackrison (1998) who stated that the lack of cohesive governance has produced an environment conducive to impunity, Marxist insurgents, illegal drug mafias, private justice groups (paramilitary, self-defence, or other), rogue military or police elements, and criminals (organized or otherwise).

The results indicate that executives do believe in the affirmative that business ethics has an impact on effective leadership practice. These results agree with the research of Messick and Bazerman (1996) who commented that the characteristics of our nation, group, or culture appear to us to be normal and ordinary, while others appear foreign, strange, and curious. Implicit in this perception is the assumption that what is normal is good and what is foreign, different, and unusual is less good. This perception that *our* way is normal and preferred and that other ways are somehow inferior has been called ethnocentrism. In the ethnocentric view, the world revolves around our group, and our values and beliefs become the standard against which to judge the rest of the world. There was also agreement with the article by Freed (2006 p.1) titled *Ethics test miners' mettle.*

5.3. Conclusions about the Research Problem

An analysis of the proposed research model in terms of the responses to the six research issues indicated that the model was effective in terms of identifying the outcomes for effective leadership practice in the context of the Colombian coal mining industry.

Figure 5.2 Effective Leadership Practice in the Colombian Coal Mining Industry



Source: produced for this study

Effective Leadership Outcomes

These findings indicate that the executives interviewed were able to define effective leadership practice in the context of their environment in the Colombian coal mining industry and were able to describe the key individual and situational factors impacting on effective leadership practice, as well as the influences of strategic agendas, organisational change and innovation initiatives and business ethics and social responsibilities. They also believed that communication, ongoing training and development are essential at all levels within the organisations to ensure continuing positive improvement. The executives were positive in their outlook in regard to these issues and believed that, with commitment, the issues could be effectively managed.

The responses from the executives surveyed for this study identified the key situational factors which they believe impacted on effective leadership practice. In addition, they also identified the key individual factors which they believe impacted on effective leadership practice. There are many of these factors which were identified as unique to Colombia which have a significant impact on effective leadership practice. The

responses from the executives surveyed for this study in regard to their understanding of the influence of strategic agendas on effective leadership practice for executives in the Colombian coal mining industry identified that they did understand the influence of strategic agendas they believe defined and impacted effective leadership practice.

The influence of change and innovation did have an impact on effective leadership practice and the factor considered most significant by those surveyed was the need to understand and manage organisational change and its impact on effective leadership practice. Future studies may attempt to test the evolving understanding of these issues given that another factor identified was the need for ongoing training and coaching.

There has been some coverage of the problems of multinational companies doing business in Colombia. Studies to date have tended to focus on parts of the problem, rather than the problem as a whole. There appears to be a significant number of parallels between the work done in other countries and Colombia. The specific issues of culture, politics and ethics have many parallels to those of Indonesia, Malaysia and the Philippines. The responses from the executives surveyed for this study in regard to their understanding of the influence of ethics and social responsibility on effective leadership practice identified they did in fact understand the issues involved.

The results of this study confirm that the issues identified in regard to cross cultural leadership in Colombia did in fact occur. This issue was a common thread through the interviewees' responses and, thus, needs to be addressed. The challenges faced by executive leaders in the environment outlined previously revolve around what can be judged as appropriate, acceptable, and effective within the norms of the Colombian culture in which they must function.

5.4. Implications of Research Findings on Theory

The research findings and contributions have been presented in the context of the six research issues into the research question of how executives in the Colombian coal mining industry relate to effective leadership practice. The implications of these findings and the contribution of this thesis for theory are summarised in the following section.

5.4.1. Defining Effective Leadership Practice

When defining effective leadership practice researchers previously looked to Darling (1999) who stated that leadership effectiveness of top executives is a multifaceted dimension of analysis and concern and that executive leaders in multinational corporations influence their organisation's behaviour—while the people in their organisations. in turn, influence them. In essence, effective leadership by these men and women should be viewed as a reciprocal process—executive leaders and followers influencing one another.

Consider, for example, Fortune's annual rankings of America's 'most admired' companies. These rankings are based on eight specific attributes, according to Jacob (1995):

1. *Quality of management;*
2. *Quality of products and services;*
3. *Financial soundness;*
4. *Ability to attract, develop, and retain talented people;*
5. *Use of corporate assets;*
6. *Value as a long-term investment;*
7. *Innovativeness; and*
8. *Community/environmental responsibility.*

The summary of the responses by the executives interviewed for this study identified the following eight attributes as defining effective leadership practice as shown in Table 5.7 below.

Table 5.7: Describing Effective Leadership Practice

Attribute	Summary
1	*Employee commitment and involvement*
2	*Political and cultural astuteness.*
3	*Identifying and accomplishing goals.*
4	*Ability to communicate.*
5	*Required mindset.*
6	*Empowerment.*
7	*Managing change.*
8	*Maximising benefits for key stakeholders.*

Source: produced for this study

5.4.2. Defining the Factors Influencing Effective Leadership Practice

According to Jacob (1995) executives in leading-edge organisations identified that a set of key factors existed; and that they also seem to be keenly focused on linkages between the firm's 'hardware' variables (strategy, structure, systems) and 'software' variables (staff, style, shared values, and skills). The responses from the executives surveyed for this study identified the following factors which they believe impacted on effective leadership practice. They identified 9 key individual factors impacting on effective leadership practice as shown in order of their perceived significance in Table 5.8.

Table 5.8: Describing the Key Individual Factors relating to Effective Leadership Practice

Key Individual Factor	**Summary**
1	*Knowledge and understanding of cultural differences.*
2	*Communication and recognition of language issues.*
3	*Need to be focused and results oriented.*
4	*Education and training.*
5	*Motivation and participation.*
6	*Delegation and empowerment.*
7	*Ethical behaviour.*
8	*Responsibility and accountability.*
9	*Concept of time and effective time management.*

Source: produced for this study

They also identified 5 key situational factors impacting on effective leadership practice, shown in order of their perceived significance in Table 5.9.

Table 5.9: Describing the Key Situational Factors relating to Effective Leadership Practice

Key Situational Factor	Summary
1	*Culture*
2	*Management Styles.*
3	*Social environment*
4	*Government.*
5	*Ethics.*

Source: produced for this study

There are many of these factors which were identified as unique to Colombia and which have a significant impact on effective leadership practice. For example, Perry (1998a) looks at the issue of bribery in international markets and considers it from across several environments such as legal, cultural, economic and competitive in order to develop an understanding of the problem. His article addresses only the issue of bribery, while O'Brien (1999a) looks only at the issue of business ethics in Colombia.

5.4.3. Defining the Influence of Strategic Agendas

Daft defined strategy as the general plan of action that describes resource allocation and other activities for dealing with the environment and helping the organisation attain its goals (Daft, 1999). The study of strategic leadership focuses on executives who have overall responsibility for an organisation (Finkelstein & Hambrick, 1996). Until only recently, this topic has been largely unresearched. Prior to about the mid 1980s, there were very few empirical studies of the strategic leadership process or strategic leader behaviour.

The responses from the executives surveyed for this study in regard to their understanding of the influence of strategic agendas identified the following 5 key factors which they believe defined and impacted on the influence of strategic agendas and effective leadership practice as shown in Table 5.10.

Table 5.10: Describing the Key Factors relating to Strategic Agendas and Effective Leadership Practice

Key Factor	Summary
1	*Establishment of strategic agendas.*
2	*Requirements for success.*
3	*Impacts and Influence.*
4	*Goal setting and common objectives.*
5	*Vision for the future.*

Source: produced for this study

5.4.4. Defining the Influence of Change and Innovation

Organisations today are faced with continuing changes in technology, environmental conditions, and internal processes that require flexibility, continuous learning, and

utilization of all available resources. The entire workforce, from front-line employee to CEO, is being called upon more and more to provide ideas, make decisions, and respond to change. These changes require an equally drastic change in how the leadership of organisations is assessed, conducted, and learned. Drath and Palus (1994) base their somewhat revolutionary views on the aforementioned leadership theories, along with the work of Bruner (1986) and Kegan (1982). Looking at how people make sense of the world, these authors suggest that all members of an organisation continually construct knowledge of themselves and the world around them. In constructing views of the world, people working together in an organisation need to develop socially understood interpretations so they can be effective as a group. This is the foundation from which people interpret, anticipate, and plan. By the nature of this definition, leadership requires participation from everyone so that all members are engaged in creating meaning and acting on that meaning (Drath & Palus 1994). Therefore, in order to achieve this, leaders need to involve themselves in a continuous process of change and innovation. The responses from the executives surveyed for this study in regard to their understanding of the influence of change and innovation on effective leadership practice identified the following 5 key factors in order of their perceived significance as shown in Table 5.11 below.

Table 5.11: Describing the Key Factors relating to Organisational Change and Innovation Initiatives and Effective Leadership Practice

Key Factor	Summary
1	*Understanding and managing organisational change.*
2	*Cultural change.*
3	*Training and coaching.*
4	*Communicating change effectively.*
5	*Innovation and focus.*

Source: produced for this study

5.4.5. Defining the Influence of Ethics and Social Responsibility

There has been some coverage of the problems of multinational companies doing business in Colombia. Studies to date have tended to focus on parts of the problem, rather than the problem as a whole. Also, there have been studies conducted on the

issues of business ethics in Colombia and in many developing countries such as Africa, Asia, parts of Eastern Europe and the Middle East (O'Brien 1999b). There appears to be a significant number of parallels between the work done in other countries and Colombia. The specific issues of culture, politics and ethics have many parallels to those of Indonesia, Malaysia and the Philippines. Religion in Colombia is not an issue as, unlike the previously mentioned countries which have large multi-religious populations, Colombians are 95% Roman Catholic. It has been identified that international management scholars and practitioners agree that managers cannot simply assume that leadership behaviours effective in one culture can be readily transferred to other cultures (Pillai et al. 1999). This is evident when looking at the experiences of the foreign coal mining companies operating in Colombia.

The responses from the executives surveyed for this study in regard to their understanding of the influence of the influence of ethics and social responsibility on effective leadership practice identified the following 5 key factors in order of their perceived significance as shown in Table 5.12 below.

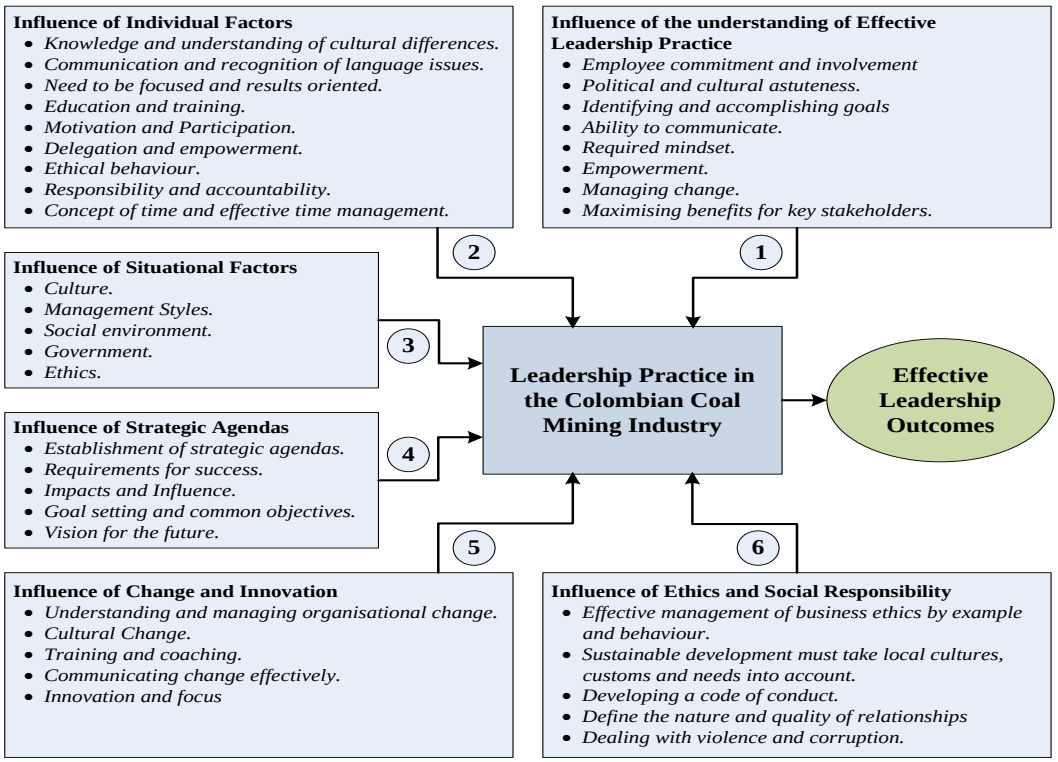
Table 5.12: Describing the Key Factors relating to Business Ethics and Social Responsibilities and Effective Leadership Practice

Key Factor	Summary
1	*Effective management of business ethics by example and behaviour.*
2	*Sustainable development must take local cultures, customs and needs into account.*
3	*Developing a code of conduct.*
4	*Define the nature and quality of relationships.*
5	*Dealing with violence and corruption.*

Source: produced for this study

By taking the framework for the original model for effective leadership practice in the Colombian coal mining industry (figure 5.2), and guided by the results from the research issues it is possible to revise the model to incorporate the results and this is done in figure 5.3 below titled 'the final model for effective leadership practice in the Colombian coal mining industry' and identifies the key finding of this research.

Figure 5.3 Final Model for Effective leadership Practice in the Colombian Coal Mining Industry



Source: produced for this study

Turning from theory, the next section discusses the practical implications of the findings for effective leadership practice.

5.5. Implications of Research Findings on Policy and Practice

While the previous section considers the implications of this research for theory, this section addresses implications for practice, that is, the implication of the findings in relation to effective leadership practice and identifies the understanding of what the executives in this environment believe are the key factors affecting them and the workplace in which they must function; and identifies what they believe is required in order to enable them to function more effectively. These key issues are identified in figure 5.3.

5.5.1. Cross Cultural Leadership in Colombia

Pillai et al. (1999) address the issues of leadership cultures which, while they may be effective in one culture, do not necessarily transfer to another. One of the problems is that when a multinational company establishes itself in a new environment such as that of Colombia it usually falls into the trap of transferring its existing policies and procedures, as well as its business culture from its home country, directly to the new country. While it may attempt to make minor changes, people who have not

experienced the new culture usually determine these changes. Hofstede (1995: 152) defines culture as the 'collective mental programming of the mind which distinguishes the members of one category of people from another.'

The results of this study confirmed that the issues identified above did in fact occur. This issue was a common thread through the interviewees' responses and needs to be addressed. The challenges faced by executive leaders in the environment outlined above revolve around what can be judged as appropriate, acceptable, and effective within the norms of the Colombian culture in which they must function. There appears to have been very little research in this area. And this would appear to be confirmed by the work undertaken by Chen and Van Velsor (1996).

House and Aditya (1997) state that organisational diversity can be objectively assessed by identification of the proportions of organisational members with different gender, ethnic, racial, religious, historical, and national backgrounds. The essential aspect of diversity is that it is associated with differences in dispositions and modal behaviour patterns of members from diverse groups. The differing dispositions take the form of social identities, meanings imputed to events, social expectations, values, beliefs, assumptions, and motives. When there is commonality within groups with respect to these dispositions, group norms usually emerge. Group norms are assumed to have powerful directing, motivating, and controlling effects on group members and on their interaction with members of other groups. In part, the impact of this cultural diversity can be, as suggested by Yetton (Craig & Yetton 1995), managed by the appointment of expatriates who already understand these issues or by training Colombian executives who will be more culturally attuned than say Australian executives in Australia as part of their leadership progression. Where this is not achievable in the short term then Australian executives should be provided with applicable cultural training in preparation for assignment in Colombia.

5.5.2. Effective Leadership Practice

When looking at effective leadership practice and comparing the westernised concept to that of other cultures, Blunt and Merrick (1997) identified that in the Western functionalist paradigm, leadership is legitimised largely on the basis of performance. It is dependent also on the level of support received from subordinates, hence. the current emphasis on teamwork, empowerment, employee satisfaction and morale. As indicated above, the emphasis placed on the leader's central role in building organisational culture

implies the necessity to cultivate employee commitment, involvement and morale. The responses to the survey indicate that in Colombia leader legitimacy and acceptance are often contingent on non-utilitarian qualities of the leader. The position of leader is maintained by intra- and extra-organisational structural arrangements, in some cases with deep historical roots, not by follower recognition. This has to be viewed in the context of the evolution of leadership practice in traditional Colombian companies. This is in clear contrast to the Western functionalist paradigm where emphasis is placed on autonomy, competition between individuals and groups, performance and self-assertion. Empirical evidence of this divergence is to be found in a study conducted by Smith et al. (1989) who observed that in Western cultures (Britain and the USA), which are characterized by individuality, much greater pressure to perform is placed on subordinates than is the case of other cultures and the reasons for this differs from culture to culture. Since the entry of multinational companies into the mining industry in the 1980s the previously established leadership culture has been shifting to a more westernised model.

5.6. Case Study Research Methodology

The work contained in this research demonstrates that the case study methodology within the realism paradigm can offer some special strengths in investigating effective leadership practice, and in exploring such a diverse phenomenon in a relational context of the Colombian coal mining industry. The methodology used in this study offered a framework for research design and analysis that enabled executives in this industry to provide data that was detailed and relevant for them, thus allowing their contributions to be recognised.

In addition, the descriptions that the framework allowed assisted theory building. For example, the methodology helped extend the understanding of effective leadership practice held by executives in the Colombian coal mining industry because it allowed the in-depth description of the how, when, where and why of the issues facing these executives in relationship to their environment. This case study methodology enabled a better understanding of the real life issues that affect executives in the Colombian coal mining industry and the development of theory about how executives should be trained and mentored in order to deal with the range of issues which were identified.

In conclusion, while this research has implications for theory through its contributions to leadership theory in the environment of the Colombian coal mining industry in

particular, it also is equally applicable to other industries in Colombia and for that matter other developing countries where multinational companies have or are establishing their businesses. It also suggests that case study methodology is valuable in the examination of complex phenomena such as effective leadership practice.

5.7. Limitations of this Research

This research study into how executives in the Colombian coal mining industry define effective leadership practice was exploratory in nature and, therefore, findings should not be generalised. While theory may have been 'built' from the investigation of the research problem, the main limitation to this study is in the difficulty with which the findings can be generalised. Further empirical and quantitative research will need to be built upon the findings from this research to be able to generalise the research findings.

The findings for this research were based on the data collected from the interviews with the participating executives and one limitation would be the degree of candour with which opinions, attitudes and feelings were provided. The background, environment and perceptions of the individuals surveyed could have influenced some of the responses of the interviewees as they felt that they should provide what they believed to be 'expected' responses. This, in turn, could have masked their true feelings and beliefs.

In addition, the method of data collection for this study was one further aspect that presented itself as a potential limitation of the research. The selection of the six research issues for this case study could impact on the extent of the information obtained from the interviewees. Some limitations arising from the nature of the study and industry involved deserve further attention. First, an analytical generalisation of the findings of this research should be made with caution, because cultural differences between expatriates and Colombian nationals in this environment, for example, the differences in belief systems of expatriate of multinational origins and Colombian nationals, could hinder the applicability of these results.

Finally, the concern about possible interviewee reliability, while a potential issue, can be minimised by the fact that they all held key senior positions within their respective organisations and had a sound knowledge of their industry and their environment.

In brief, this research has limitations but attempts were made to overcome them, and so they should not detract from the overall value of the research and its findings.

5.8. Directions for Further Research

There are several areas that provide suggestions for further research. Firstly, case studies within the realism paradigm were used for this research. Thus, the research relied on inductive analytical generalisation, rather than statistical generalisation (section 3.4). The objective of this research was building theory, rather than testing theory. In future, as this research was exploratory in nature, research could be undertaken to test the theory using surveys and quantitative modelling. Future research could use quantitative methods to analyse a similar research topic as qualitative and quantitative methods are complementary to each other and enhance investigation findings (Zikmund 1997).

Secondly, a replication of this study looking specifically at cross-cultural relationships, , was carried out by Erwee and Perry (1999) which confirmed that cross-cultural networks do not appear to develop through clearly defined, predictable stages. It also found that personal and business networks are important to both parties but if these networks are not consciously linked or expanded jointly, very little basis for cross-cultural understanding is built. The recommendation is to look at cultural differences and try to understand them even though, or because, their perceptions of what is happening in the relationships in a particular period can be significantly different—particularly in regards to the particular needs of individuals and organisations.

Thirdly, this research looked at the influence of change and innovation and the factor considered most significant by those surveyed was the need to understand and manage organisational change and its impact on effective leadership practice. Future studies may attempt to test the evolving understanding of these issues given that another factor identified was the need for ongoing training and coaching.

Finally, given the importance of the involvement/engagement of executives in the process of effective leadership practice in order to ensure successful outcomes, additional research specifically in the area of the influence of strategic agendas on effective leadership practice needs to be conducted looking at the requirements for success and the vision for the future in the context of the environment in which these coal companies and their executives operate in Colombia.

5.9. Conclusions

This chapter, which concludes the study, has presented the conclusions to each of the six research issues and contrasted the key findings of chapter 4 of this research study into how executives in the Colombian coal mining industry relate to effective leadership practice with the literature search in chapter 2.

Effective leadership practice as a concept was understood and described by the executives interviewed. They identified eight main attributes which they believed described effective leadership practice and these responses were in line with the definition found in chapter 2 of this study. Additionally, the responses to the survey indicate that in Colombia leader legitimacy and acceptance are often contingent on non-utilitarian qualities of the leader.

This research study into how executives in the Colombian coal mining industry define effective leadership practice was exploratory in nature and, therefore, findings should not be generalised. While theory may have been 'built' from the investigation of the research problem, the main limitation to this study is in the difficulty with which the findings can be generalised. Further empirical and quantitative research will have to be built upon the findings from this research to be able to generalise the research findings. In conclusion:

I. The findings for this research were based on the data collected from the interviews with the participating executives and one limitation would be the degree of candour with which opinions, attitudes and feelings were provided. The background, environment and perceptions of the individuals surveyed could have influenced some of the responses of the interviewees as they felt that they should provide what they believed to be 'expected' responses. This, in turn, could have masked their true feelings and beliefs.

II. Finally, given the importance of the involvement/engagement of executives in the process of effective leadership practice in order to ensure successful outcomes additional research, specifically in the area of the influence of strategic agendas on effective leadership practice, needs to be conducted looking at the requirements for success and the vision for the future in the context of the environment in which these coal companies and their executives operate in Colombia.

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Appendix I

Case Study Interview Matrix

Case Study Interview Matrix

No	Interview Questions Research	1	2	3	4	5	6
1	What do you think are the main issues in senior executive leadership practice in the Columbian Coal Mining Industry?	✓					
2	In your terms, what constitutes effective leadership practice?	✓					
3	What is your understanding of effective leadership practice?	✓					
4	Why should we have effective leadership practice?	✓	✓	✓	✓	✓	✓
5	How and why have senior management directives influenced effective leadership practice?		✓				
6	How do you believe we should develop effective leadership practice?		✓	✓			
7	Do you think that differences in culture impacts on the development of effective leadership practice in the Colombian Mining Industry?		✓	✓			
8	Do you think that there are barriers between expatriate and national managers?		✓	✓			
9	What do you think are the key individual factors that promote or inhibit effective leadership practice?		✓				
10	What do you think are the key situational factors that promote or inhibit effective leadership practice?			✓			
11	Do you think organisational change promotes or inhibits effective leadership practice?			✓			

12	Do you think there are barriers between expatriate and national managers, if so what are they?			✓			
13	How do you think we can bridge the gap between expatriate and national managers?			✓			
14	How important do you think the integration of expatriate and national managers with each other is, if at all?			✓			
15	How do you think strategic agendas have influenced effective leadership practice, if at all?				✓		
16	Who do you see as taking the primary role in strategic agendas, and why?				✓		
17	Do you agree that the development of strategic agendas as an insurmountable wall in relationship to effective leadership practice?				✓		
18	Who do you think can help senior managers climb this wall?				✓		
19	How does effective management development start in order to improve effective leadership practice?				✓		
20	How has organisational change influenced the relationship between expatriate and national managers?					✓	
21	How does effective management development continue as a result of organisational change?					✓	
22	Who should be manage this organisational change and why?					✓	
23	In terms of relationships between expatriate and national managers what initiatives can influence relationships and why?					✓	

24	What do you see as the difference between expatriate managers and national managers, if anything?					✓	
25	Do you agree that business ethics has an impact on effective leadership practice?						✓
26	What are the differences in terms of social responsibilities between expatriate managers and national managers, if any?						✓
27	What are the differences in terms of business ethics between expatriate managers and national managers, if any?						✓
28	What do you think are the key issues regarding business ethics and effective leadership practice? And is this important and if so how?						✓
29	What do you think are the key issues regarding social responsibility and effective leadership practice? And is this important and if so how?						✓
30	How can senior management improve effective leadership practice outcomes, if at all?	✓	✓	✓	✓	✓	✓
31	How can organisational efficiencies be made using effective leadership practice, if at all?	✓	✓	✓	✓	✓	✓
32	How can expatriate managers and national managers improve effective leadership practice, if at all?	✓	✓	✓	✓	✓	✓

How do senior executives in the Colombian coal mining industry relate to effective leadership practice?

Specific research issues include;

RI 1: How do senior executives in the Colombian coal mining industry describe effective leadership practice?

RI 2: What are the key individual factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

RI 3: What are the key situational factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?

RI 4: How have strategic agendas influenced effective leadership practice for senior executives in the Colombian coal mining industry?

RI 5: How have organisational change and innovation initiatives influenced effective leadership practice for senior executives in the Colombian coal mining industry?

RI 6: How have business ethics and social responsibilities influenced effective leadership practice for senior executives in the Colombian coal mining industry?

Appendix II

Case Study Survey Questionnaire

Case Study Survey Questionnaire

Interviewee name: _____

Interview record form

1	**Company**	
2	**Interviewee name**	
3	**Tel & Fax #**	
4	**Email**	
5	**Date**	
6	**Time (start / end)**	
7	**Location**	

General information

No.	Question
1	What is your current title in your company?
2	Briefly describe your current job responsibilities?
3	How long have you been in this function?

4	How long have you been with the company?
5	What other positions have you held while employed with this company?
6	How many years of working experience do you have?

Survey Questionnaire

No.	Question
1	What do you think are the main issues in senior executive leadership practice in the Colombian Coal Mining Industry? [RQ1]
2	In your terms, what constitutes effective leadership practice? [RQ1]
3	What is your understanding of effective leadership practice? [RQ1]

4	Why should we have effective leadership practice? [RQ1-6]
5	How and why have senior management directives influenced effective leadership practice? [RQ2]

6	How do you believe we should develop effective leadership practice? [RQ2&3]
7	Do you think that differences in culture impacts on the development of effective leadership practice in the Colombian Mining Industry? [RQ2&3]

8	Do you think that there are barriers between expatriate and national managers? [RQ2&3] Strongly Disagree — Not Apparent — Strongly Agree 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐
9	What do you think are the key individual factors that promote or inhibit effective leadership practice? [RQ2] .....
10	What do you think are the key situational factors that promote or inhibit effective leadership practice? [RQ3] .....

	.....
11	Do you think organisational change promotes or inhibits effective leadership practice? [RQ3] Strongly Inhibits — No Effect — Strongly Promotes 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐
12	Do you think there are barriers between expatriate and national managers, if so what are they? [RQ3] .....

	.....
13	How do you think we can bridge the gap between expatriate and national managers? [RQ3] .....
14	How important do you think the integration of expatriate and national managers with each other is, if at all? [RQ3] Not Important — No Effect — Very Important 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐
15	How do you think strategic agendas have influenced effective leadership practice, if at all? [RQ4]

	Negative Influence — No Effect — Strong Influence 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐
16	Who do you see as taking the primary role in strategic agendas, and why? [RQ4]
17	Do you see the development of strategic agendas as an insurmountable wall in relationship to effective leadership practice? [RQ4]

18	Who do you think can help senior managers climb this wall? [RQ4]
19	How does effective management development start in order to improve effective leadership practice? [RQ4]
20	How has organisational change influenced the relationship between expatriate and national managers? [RQ5]

21	How does effective management development continue as a result of organisational change? [RQ5]
22	Who should manage this organisational change and why? [RQ5]

23	In terms of relationships between expatriate and national managers what initiatives can influence these relationships and why? [RQ5]
24	What do you see as the difference between expatriate managers and national managers, if anything? [RQ5]

25	Do you agree that business ethics has an impact of on effective leadership practice? [RQ6] Strongly Disagree — No Impact — Strongly Agree 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐
26	What are the differences in terms of social responsibilities between expatriate managers and national managers, if any? [RQ6] .....
27	What are the differences in terms of business ethics between expatriate managers and national managers, if any? [RQ6] .....

28	What do you think are the key issues regarding business ethics and effective leadership practice? And is this important and if so how? [RQ6]
29	What do you think are the key issues regarding social responsibility and effective leadership practice? And is this important and if so how? [RQ6]

30	How can senior management improve effective leadership practice outcomes, if at all? [RQ1-6]
31	How can organisational efficiencies be made using effective leadership practice, if at all? [RQ1-6]

32	How can expatriate managers and national managers improve effective leadership practice, if at all? [RQ1-6]
33	Any additional information you would like to provide about this proposal project that we have not covered.

Appendix III

Case Study Letter

THE UNIVERSITY OF
SOUTHERN
QUEENSLAND

TOOWOOMBA
QUEENSLAND 4350
AUSTRALIA

[Date]

[Recipient's title]
[Company name]
[Street address]
[Postal code]

Dear, [Recipient]

Thank-you for our discussion today and I appreciate your willingness to meet with me for the purpose of my research study with the University of Southern Queensland (USQ).

My research project is an exploratory, multiple-case study in the area of effective leadership practice in the Colombian coal mining industry. For your reference, a brief overview of my study is enclosed with a copy of the case study questionnaire. I am attempting to investigate and identify what senior executives are doing by way of management strategy to successfully deal with executive leadership practice in the context of these issues in the Colombian coal mining industry.

The outcomes of this research should improve our understanding of how management perceives effective leadership practices in this environment and help to identify areas for future research. Participation in the project is voluntary and the author will assure anonymity is maintained. All information collected is confidential to the researcher and to the University of Southern Queensland. Any information that could identify an individual or organisation will only be included with the permission of the participant.

Should you wish to obtain any further information or discuss participation please contact the researcher or his supervisor. The supervisor of this project is Dr. Bruce Millett, Associate Dean (Teaching and Scholarship), Faculty of Business at the University of Southern Queensland. He can be contacted through the University.

I want to assure you that all data will be treated as confidential; including the name of your company, the individuals participating in the interviews, and any proprietary information. All data will be reported in aggregate only and in appreciation of your participating in my study, I will gladly make my report available to you and your company.

Sincerely,

Richard Brook

Attachments:
- Case Study overview
- Case study questionnaire

I consent to participate in the project named above, the particulars of which have been explained to me. A written copy of the information has been given to me to keep and I authorise the researcher to use the information that I have supplied during this interview. I acknowledge that I have been informed that the confidentiality of the information I provide will be safeguarded subject to any legal requirements.

Signature _____ Date _____
(Participant)

Case Study Overview

Thank you for agreeing to participate in the research project to develop a model for effective leadership practice. The researcher seeks to find answers to the following research questions:

- ***How do senior executives in the Colombian coal mining industry describe effective leadership practice?***
- ***What are the key individual factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?***
- ***What are the key situational factors that are perceived by senior executives to promote or inhibit effective leadership practice in the Colombian coal mining industry?***
- ***How have strategic agendas influenced effective leadership practice for senior executives in the Colombian coal mining industry?***
- ***How have organisational change and innovation initiatives influenced effective leadership practice for senior executives in the Colombian coal mining industry?***
- ***How have business ethics and social responsibilities influenced effective leadership practice for senior executives in the Colombian coal mining industry?***

That is, investigate and identify what senior executives are doing by way of management strategy to successfully deal with executive leadership practice in the context of these issues in the Colombian coal mining industry.