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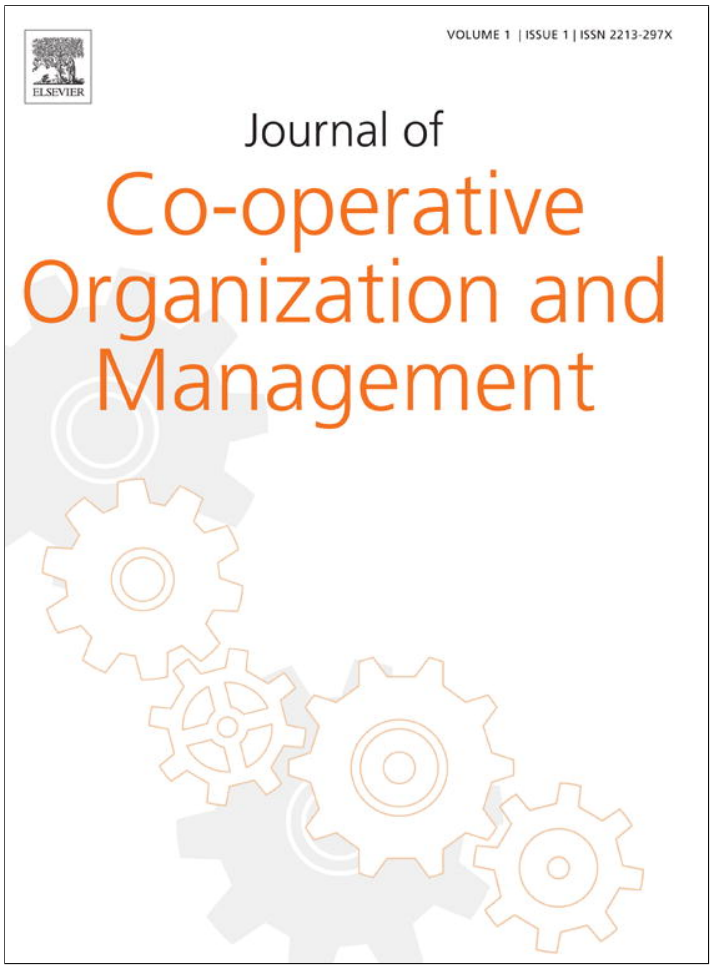

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Leaders' vulnerable involvement: Essential for trust, learning, effectiveness and innovation in inter-co-operatives

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ABSTRACT

To what degree is leaders' vulnerable involvement in employees' deliberations essential for effective leadership of inter-kibbutz co-operatives (IKCs)? A unique semi-native anthropology of outsider-managed automatic processing inter-kibbutz plants and parent IKCs suggests that such involvement is essential for creating virtuous trust and learning cycles, for efficiency, effectiveness and innovation. Kibbutz ex-managers were nominated IKCs' and plants' executives with minimal pertinent expertises mostly avoided vulnerability by detachment or coercive involvement. This engendered vicious distrust and ignorance cycles that caused mistakes and failures. Expert kibbutz members came to the rescue and by vulnerable involvement initiated virtuous trust and learning cycles, but they were suppressed as successes made them powerful and threatened bosses' power. They left, their imported successors remained detached and ignorant, failed and this seesaw repeated itself. Vulnerable involvement is crucial; co-operatives do not defend their interests in inter-co-operatives by nominating their ex-managers to head them, they have to choose only those whose vulnerable involvement habitus, pertinent expertise and successful initiation of virtuous trust and learning cycles were proven in co-operative management and/or similar inside-outsiders.

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1. Introduction

Leadership is a major and important topic in organization studies (Jones, 2005). Relatively little effort has been made, however, to study leadership in the context of co-operatives. Influential academics associated with the co-operative movement have made calls to shed light on this gap. For instance, professor Fairbairn's keynote address to the May 2007 Co-operative Innovation and Social Economy Conference in Saskatoon, Canada emphasized the need for leadership that is 'different... one that is collaborative and networked', 'innovating through group action and co-operation', a leadership that 'use networks, access and build social capital'. According to MacPherson (2008), co-operatives have 'neglected for decades the training and education of leaders' (p. 17), and so too has co-operative literature. There have been some studies that touch the topic in large co-operative systems such as Mondragon (Whyte & Whyte, 1988) and kibbutzim (pl. of kibbutz; Near, 1992–1997; Shapira, 2008, 2011), but only little of research has been conducted on the prime leaders of other large successful co-operatives (e.g., Chapman, 2012; Kuisma, Henttinen, Karhu, & Pohls, 1999).

Recently, we have seen some of literature emerging that seems to be responding to the above calls. In their study in Finnish consumer co-operatives, Tuominen, Jussila, and Rantanen (2010) have pointed from qualitative data to top executive required competencies, including knowledge, attitudes and skills. They too noted that due to the lack of attention to this area, the interviewed executives had to develop their co-operative management competences without particular education and training for it. Further, Rosas, Jussila, and Tuominen (2012) examined shared leadership in co-operative banking. Their work highlights the connections of this particular leadership form to the co-operative values and principles.

This paper contributes to the emerging literature by tapping into leaders' vulnerable involvement and specifically its role in effective leadership. The context of study is inter-kibbutz co-operatives (in short IKCs; Niv and Bar-On, 1992; Shapira, 2008). Specifically the study asks: *To what degree is leaders' vulnerable involvement in employees' deliberations essential for of IKCs?* A unique semi-native ethnography of outsider-managed automatic processing inter-kibbutz plants is used to answer this question.

The paper is structured as follows. First, I present the theoretical and methodological background: research of leader practices, trust relations with employees, outsider succession, leaders' involvement dilemma and the need for a special anthropology. Then I present my semi-native anthropology, how it overcame anthropologists' Achilles heel and findings: Outsider kibbutz member

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managers concealed ignorance by detachment and often failed, a few involved ones prevented total failure and succeeded by virtuous trust and learning cycles that created high-trust local cultures, detached leaders trusted ignorant importees and this system served the rule of ignorant oligarchic CEOs, not owner kibbutzim. Finally, I discuss the novelty and utility of this work and offer suggestions for further research.

2. Theoretical and methodological background

As introduced, research of leader practices, trust relations with employees, outsider succession, leaders' involvement dilemma and the need for a special anthropology form the theoretical and methodological background for the study.

2.1. Leader practices and trust relations with employees

Research indicates that trustful relations between leaders and employees are essential for many critical factors in contemporary organizations, such as knowledge sharing, learning, problem-solving, decision-making and innovation (Antonakis & Atwater, 2002; Deutsch, 1962; Dore, 1973; Heskett, 2012; Lee, Gillespie, Mann, & Wearing, 2010; Saunders, Skinner, Dietz, Gillespie, & Lewiki, 2010; Shapira, 1987, 2008; Snell, 2001; Vanagan & Huxham, 2003; Wang & Clegg, 2007; Washburn, 2011; Zand, 1972). It is not clear however, what are the leaders' practices upon which such relations depend. Their importance is recognized, but their exact function in engendering trustful relations between leaders and employees is less clear. For instance, leaders' rhetoric of trust and dialog with employees is often only a façade, not aimed at their empowerment and genuine trust, as proven by distrustful practices (Ciulla, 1998; Courpasson and Clegg, 2006: 327; Kieser, 2001; Thoms, 2008). Moreover, a leader's decisions and actions that seem 'just, right, and fair' and 'morally correct' to her/him (Hosmer, 1995: 399), may create trust among executives (Geneen, 1984: Chapter 4), but may not do so with lower echelons who discern her/his mistaken decisions due to ignorance of their exclusive know-how and *phronesis* (Burawoy, 1979; Klein, 2004; Roy, 1952; Townley, 2002). These resources are 'constituted and reconstituted as actors engaged in the world of practice' (Orlikowski, 2002: 249; also: Fine, 2012; Flyvbjerg, 2006; Klein, 1998), often in communities of practitioners (Orr, 1996) from which leaders are excluded unless fully trusted. Employees use much local know-how and *phronesis* acquired by experience and much of these intangible resources are decisive but tacit and hard to convey (Collins & Sanders, 2007; D'Eredita & Barreto, 2006; Fine, 2012; Flyvbjerg, 2006; Klein, 1998, 2004). Experience-acquired resources are not conveyed to distrusted superiors (Burawoy, 1979; Fox, 1974; Morrison & Milliken, 2000; Roy, 1952), especially not to unacquainted outsiders (Gouldner, 1954; Shapira, 1995b). An outsider manager can gain the full trust of locals and acquire their exclusive knowledge by practicing vulnerable involvement that exposes his ignorance and proves a genuine wish to learn for the common good (Deutsch, 1962; Mayer, Davis, & Schoorman, 1995; Shapira, 1987; Whitener, Brodt, & Werner, 1998; Zand, 1972), as did Guest's (1962) outsider.

A leader is effective only if s/he 'actively engages in the work of change' (Grint & Holt, 2011: 92; also: Espedal, 2008: 193; Gobillot, 2007; Meyer, 2011), but an outsider, for instance an ex-co-operative manager who became CEO of an IKC when engaging employees whose jobs s/he has never practiced s/he exposes ignorance of their, exclusive know-how (Burawoy, 1979; Collinson, 2005; Shapira, 1995b), and damages her/his authority until he learns and better functions in job (Blau, 1955). Her/his other chores may legitimize avoiding engagement, but then employees tend to distrust him and conceal their knowledge (Morrison & Milliken, 2000); then s/he is bound to make mistakes and failures that further distrust and secrecy (Fox, 1974). The organizational knowledge and learning literature largely ignores ethnographies depicting detachment causing systematic managerial ignorance (SMI for short), dealing for instance with pluralistic ignorance unrelated to SMI (Westphal & Bednar, 2005) and with incompetence without referring to ignorance (Furnham, 2005). Google found only two old titles on managerial ignorance (Gannon, 1983; Von der Embse, 1983) versus many 'organizational ignorance' hits, but despite these 'there is, as yet, no systematic consideration of organizational ignorance' (Roberts, 2012: 1), and so also SMI is not considered.

Gannon (1983) found that job-specific knowledge bases of US executives were sub-standard and Luthans (1988) found that effective US, managers who surely were more knowledgeable than ineffective ones were less successful in the promotion race. This was also found in the UK (Webb & Cleary, 1994), Japan (Mehri, 2005), France (Roux-Dufort, 2009) and Israel (Shapira, 1987, 1995b). However, organizational research has rarely alluded to these findings seemingly due to leaders' power to conceal SMI on the organizational dark side veiled, by conspiracies of silence (Hase, Sankaran, & Davies, 2006; Morrison & Milliken, 2000). On this dark side managers lacking the power of proven expertise and successful functioning use low-moral Machiavellian bluffing, subterfuges, scapegoating and other abuses that lead to prestige, power, promotion, privileges and other personal aims at the expense of common good (Dalton, 1959; Hughes, 1958; Jackall, 1988; Jay, 1969; Kramer & Tyler, 1996: 226, 266, 339–348; Rhode, 2006; Shapira, 1987, 2008; Stein, 2001). Moreover, in today's large organizations a leader is inevitably ignorant of much of the knowledge and information relevant for her/his job functioning:

> . . .a large number of decisions, and <u>all</u> the important decisions, draw on information possessed by more than one man. . . .The final decision will be informed only as it draws systematically on all those whose information is relevant. There must. . . be a mechanism for testing each person's contribution for its relevance and reliability. . . (Galbraith, 1971: 69–70).

Galbraith did not specify this mechanism, which is particularly essential for outsiders who learned management as 'a portable technical skill, divorced from specialized experience and knowledge about particular subjects' (Townley, 2002: 550). But can a leader, who is divorced from employees' 'specialized experience and knowledge about particular subjects', decide who draws upon more relevant and reliable knowledge, more skillfully uses artistic and intuitive senses and better contributes to problem-solving without the basics of the trade that experts have learned when 'engaged in the world of practice' (Orlikowski, 2002: 249)? How can s/he discern genuine experts from fools and impostors (Kets de Vries, 1993) without having local know-how and *phronesis* used by experts (Fine, 2012) and without gaining specialized interactional expertise that does not make her/him an expert like them, but enables knowledgeable interaction with them (Collins & Evans, 2007)? No any formal education can obtain leaders with these essential intangible resources.

2.2. Outsider succession and leaders' involvement dilemma

The choice of either involvement, ignorance exposure and vulnerability in order to gain trust, learn from and with employees, solve problems and function effectively (Mayer et al., 1995; Whitener et al., 1998; Zand, 1972), or detachment that conceals ignorance and defends authority but preserves ignorance and causes mistakes and failures, poses a dilemma which is tougher for an outsider who is more ignorant of local know-how and *phronesis* than insiders (Bower, 2007): Her/his authority is legitimized by his supposedly superior competence, knowledge and expertise

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(Dick, 2008), while exposure of ignorance diminishes it (Blau, 1955). Only if s/he learns decisive local knowledge (Fine, 2012) and successfully functions on the job does he regain authority. But if s/he comes from a different kind of organization (Perrow, 1970), for instance from a co-operative to manage an IKC (inter-kibbutz-co-operative) that serves kibbutzim by unacquainted employees, technologies, equipment, know-how and *phronesis*, his chances of successful learning and functioning are often unknown. This encourages opting for concealing ignorance by detached SMI and/or by ignorance-concealing seductive/coercive involvement that causes distrust and bars knowledge sharing, resulting in mistakes and failures (Gittell, 2000; Gouldner, 1954, 1955; Johnson, 2008).

Outsider successors are common in today's firms (Bower, 2007: 14); they may learn and succeed if, by means of vulnerable involvement, they create much trust (Deutsch, 1962; Zand, 1972). Creating trust is crucial: Only a trusted leader can expose ignorance in order to learn without employees using the vulnerability it creates against him, and only if they feel trusted and anticipate his successful learning used for the common good (Fu, Tsui, Liu, & Li, 2010), do they teach him local knowledge (Guest, 1962). However, an outsider often distrusts unknown locals and uses seductive/coercive means (Kipnis, 1976), unless his habitus (Bourdieu, 1990) and relevant expertises (Collins & Evans, 2007; Collins & Sanders, 2007) promise learning and success and encourage ignorance exposure (Shapira, 1995b). Trust and distrust tend to mutuality hence a leader's initial trusting of employees engenders an ascending mutual trust spiral provided he learns and functions well, while distrusting them has the opposite effect (Fox, 1974; Gouldner, 1954; Kipnis, 1976; Whitener et al., 1998). The contrasting choices of either vulnerable involvement or detachment with/without coercive involvement tend to cause either virtuous trust and learning cycle or vicious distrust and SMI cycle (see Table 1).

2.3. Explaining leaders' choices needs special anthropology

Anthropologists who exposed workers' exclusive know-how and *phronesis* unknown to managers pointed to the potential of anthropology to explain leaders' choice of detachment or involvement, but this explanation required special anthropology: The anthropologist must acquire both know-how and *phronesis* as an operator or technician, and managerial expertise for interactional expertise with managers and open and trustful communication with leaders.

For example, Mehri (2005: 199) convincingly judged a new department manager as an 'incompetent and spineless subordinate' promoted due to loyalty to a previous manager. Such promotions that served superiors' power needs were also depicted by Dalton's (1959) informants, but neither Mehri nor Dalton achieved what the sages of old advised: 'Do not judge others until you have stood in their place'. They were not managers, had neither managerial experience nor managerial education (Yanow, 2004) and did not communicate openly with leaders; they fell short of Barnard's (1938: viii) anticipations:

> . . .social scientists . . . just reached the edge of organization as I experienced it, and retreated. Rarely did they seem. . . to sense the processes of coordination and decision that underlie a large part, at least, of the phenomenon they described.

Even acclaimed ethnographies by Kunda (1992) and Orr (1996) did not cross this edge, did not explain 'the processes of coordination and decision[-making]' as managers sensed them; they did not untangle how executives' roles, statuses, powers, relations, habituses (Bourdieu, 1990) and careers impacted their actions and decisions. An anthropologist aiming to expose and explain managers' involvement/detachment choices must untangle the impact of all these factors and also gain interactional expertise in problems managers face, and learn their alternative plausible solutions (Hawthorn, 1991). S/he must be able to detect managers' knowledge and ignorance by learning from both experts and participant observation, and discern leaders' aims, wishes and interests in order to judge their explanations of actions or inactions. Like any anthropologist, s/he must gain informants' full trust and seek openness, truthfulness and genuine rapport, but this is hard to achieve when one becomes a subordinate of the managers studied, as they would rather retain 'the cloak of competence' (Edgerton, 1967; see below). Rarely do managers choose otherwise, admitting their own ignorance, mistakes and failures (Geneen, 1984: Chapter 4; Gouldner, 1954; Hughes, 1958; Jackall, 1988).

3. Research methods and findings

Anthropologists failed to penetrate the secrets of leaders' ignorance and its concealment by detachment due to a built-in barrier: They never reached executive echelons 'to sense the processes of coordination and decision', they lacked managerial education and experience (Yanow, 2004), and they remained in their positions for too short a period.

3.1. Overcoming anthropologists' Achilles heel: my semi-native anthropology

Unlike these anthropologists I commenced my fieldwork as an MA student with both social science and management education as

Table 1
Positive and negative know-how and *phronesis* cycles.

Virtuous trust and learning cycle	versus	Vicious distrust and SMI cycle
Involvement habitus + much relevant know-how and *phronesis*		Detachment habitus + minimal relevant know-how and *phronesis*
↓		↓
Vulnerable involvement choice		Detachment/coercive involvement choice
↓		↓
Vulnerable ignorance exposure initiates an ascending trust spiral		Concealing ignorance by detachment/coerciveness causes a descending trust spiral
↓		↓
Openness and knowledge sharing enhances learning and right decisions		Secrecy retains ignorance, causes mistaken decisions, indecision and failures
↓		↓
Problem-solving enhances learning, more problem-solving and openness		Misunderstood failures further mistakes, distrust, secrecy and more failures
↓		↓
Effective functioning encourages innovation, more successes and furthers trust and learning		Conservatism spares some mistakes but causes brain-drain, foolishness and furthers vicious distrust cycle and SMI

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well as 13 years of managerial experience at my kibbutz automatic fruit processing plant with problems resembling the studied plants, and continued in managerial jobs for another 7 years while studying for advanced degrees and researching the kibbutz-owned industrial-commercial IKC Merkaz Regional Enterprises (a pseudonym, as are all names hereafter) and its high-capacity automatic cotton-gin plant. Many of the problems I faced in these jobs resembled those of the plant owned by 40 kibbutzim and managed by their members called *pe'ilim* (singular *pa'il*) presumably to obtain optimal processing of their raw cotton. It was a semi-native anthropology (Narayan, 1993): I was a kibbutz member like the *pe'ilim*, so I knew a few of them personally while approaching all of them as their peer and student interested in material for papers and theses required by university studies. The IKC handled inputs and outputs of kibbutz agriculture in six plants and other units; it employed some 850 workers and staff and annual sales were $US 350 million. I began by interviewing the CEO and 23 executive *pe'ilim* (interviews recorded in writing). They were supposed to serve for 5 years and return to kibbutzim, which received uniform salaries for their work, but many served much longer and enjoyed perks according to rank (Shapira, 1987, 1995a, 2008). Often interviews became a two-manager-discussion of the pros and cons of solutions to common problems. I freely read minutes of management sessions in addition to official publications.[1] I toured the plants and visited meeting places such as the industrial park's dining hall. Informal talks and observation of plants pointed to little interest among executives in advancing efficiency and effectiveness, contrary to their assertions.

For example, as against *pe'ilim*'s brand new company, cars forklifts were cheap old sluggish models that frequently breakdown. Another contrast: plants were recently enlarged far beyond kibbutz agricultural requirements while exhibiting technological virtuosity, both signaling managerial elite amassing power, prestige, privileges and tenures (Bourdieu, 1990; Galbraith, 1971). Likewise lavish amenities: air-conditioned offices and company cars which were rare in kibbutzim at the time, and privileges such as trips abroad which were often unrelated to declared aims. Kibbutzim had abstemious egalitarian cultures, while *pe'ilim*'s standard of living especially that of senior ones, was well beyond kibbutzim standard, reflected in much interest in their company car models: When I came to the CEO's office at the time set for an interview, I had to wait some 20 min until he and his deputy concluded a long debate about the experience of driving the deputy's new model car.

A prime reason for managerial passivity concerning efficiency was that Merkaz plants did not compete on the markets, rather marketed their produce through national marketers, some of them IKCs, while owner kibbutzim were obliged to use their services. All 10 Israeli cotton gin plants were similar parts of regional IKCs, and kibbutzim paid a uniform, national agreed 'cost plus' fee. I then openly interviewed 96 present and past *pe'ilim* of the gin plant and found brain-drain due to negative selection: conservative leaders pruned talented critics and innovators, while mediocre self-servers interested in privileges stayed for good by becoming leaders' loyalists (Dalton, 1959; Hirschman, 1970), while leaders sought self-enhancement rather than serving better client-owner kibbutzim (Galbraith, 1971; Fu et al., 2010). However, *pe'ilim* interviews and observations for 4 years pointed to managers' ignorance of major problems that negatively impacted plant's functioning. I then learned these problems from nationally renowned experts and furthered know-how by participant observation, becoming knowledgeable to the extent that technicians and foremen asked me why I did not replace their ignorant boss.

Participant-observation was very intensive: three and a half months of high season round-the-clock non-stop shift-work, processing 500–700 ton of raw cotton daily. I both worked a shift and often visited the other two, to observe major events and managers deeds. Many operational and technical problems resembled those I had experienced at my own kibbutz plant. Similarity enhanced comprehension and belief in my interpretations of employee behavior (e.g., Geertz, 1973), but to ensure that I was properly interpreting matters, after the season ended I conducted 72 open interviews with plant staff and cotton growers. Then I toured four other gin plants, observed their premises and interviewed 63 *pe'ilim*.

3.2. *Mostly outsider* pe'ilim *concealed SMI by detachment*

A mute fool is reputed to be wise (a Jewish saying).

Detachment from deliberations, permitting muteness, was the commonest way to conceal *pe'ilim* ignorance, like Edgerton's (1967) finding in *The Cloak of Competence*: When exiting their shelter mentally retarded youths kept this 'cloak' intact by concealing incompetence by detachment from others who might have exposed it. Almost all the executives and managers studied were outsider *pe'ilim* who had been 'parachuted' into their jobs (the Israeli term for outsider managers with irrelevant previous experience).[2] Some have business experience as ex-kibbutz economic managers, treasurers and/or *pe'ilim* of business IKCs but almost none of them had experience in a similar IKC or industry. With little pertinent knowledge, minimal referred expertise, that is, expertise in other domains that facilitates learning and functioning (Collins & Sanders, 2007) and minimal interactional expertise (Collins & Evans, 2007) they mostly chose detachment, rather than involvement that would have exposed ignorance, undercutting their authority. Only one cotton-gin plant manager of the 11 studied in five plants was vulnerably involved, engendered a virtuous trust and learning cycle, enhanced innovation, efficiency and effectiveness so that the plant excelled nationally, much like Guest's (1962) case. This success disappeared once a detached SMI *pa'il* replaced him.

Complete detachment was chosen by the first and third Merkaz cotton-gin plant managers over its 19 years. Only the second, Yuval opted for seductive/coercive involvement (Gittell, 2000; Gouldner, 1954) and personalized management (Fu et al., 2010; Poulin, Hackman, & Barbarasa-Mihai, 2007). But much younger than veteran expert employees, he lacked psychological safety (Edmondson, 1999) for vulnerable ignorance-exposing involvement, using seductive/coercive means (Kipnis, 1976). He interfered autocratically in deliberations, minimally listened to experts and made mistaken decisions that caused animosity, distrust and secrecy, which kept him ignorant. He roamed the plant in search of information (Gouldner, 1954: 87), while his mistakes caused failures that employees bitterly criticized. Space reasons prevent detailing them all; below I shall portray his mistake of nominating and retaining a detached SMI *pa'il* here called Avi as technical manager. An example of his arrogant ignorance was an incident in which he took a fork lift from an experienced operator and drove it over a frail pit cup which consequently broke and he fell into the pit with the machine. He was replaced early, after 4 years, although the normative term was 5.

Unfortunately, the other plant managers were not much better as they used detached SMI: The first, Moav (aged 61), was appointed after decades of treasuring a department of a national wholesaler owned by kibbutzim and moshavim.[3] The third, Shavit

[1] These sources are not cited to preserve anonymity.

[2] Most common in Israel has been the 'parachuting' of an ex-senior army officer in his 30s–40s to head a large business firm, a municipality, a college, a party, etc.

[3] Moshavim are semi-cooperative agricultural settlements.

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(32), was an ex-kibbutz economic manager and ex-manager of the building branch, who had supervised contractors without managing the work himself. The two had business educations and knew accounting and finance very well, but next to nothing about the plant's major problems which were technical, operational and skilled manpower shortages.

I did not observe the plant in Moav's era, but dozens of interviews with ex-employees testified to his detachment and ignorance like Yuval and Shavit, whom I did observe. Moav survived a decade in office despite the formal term being 5 years, because he was a close relative of Merkaz CEO and a close friend of his successor, providing them with a loyalist in the Board of Directors who might have been lost by succession. Furthermore, the plant functioned quite well in its first 8 years, since two involved and committed deputy *pe'ilim* managed its operation by non-charismatic servant transformational leadership (Barbuto, 1997; Burns, 1978; Graham, 1991; Greenleaf, 1977), helped by an experienced hired technical manager and his hired expert informal deputy. However, the plant suffered defective decision-making by the Board of Directors as depicted by Moav's deputy:

> . . .they [representatives of owner kibbutzim] did not understand much about most subjects on the agenda, and Moav and another plant manager who represented Merkaz management in the plant's Board were quite similar. The only two who really knew what was going on in the plant and coped with all major problems and shaping most decisions, were Moav's other deputy and me.

Management sessions were quite similar, according to minutes: Moav spoke almost only when financing was at issue, trying to spare expenses. However, he was lavish with his own amenities: one of the first air-conditioned offices in the industrial park, a nice company car and more. Yuval and Shavit behaved similarly and all minimized knowledge requirements by conservatism, except for growth and technological virtuosity. Employees distrusted them. I witnessed how distrust kept the detached Shavit ignorant: In his fourth year he did not know certain ginning basics I had learned in my first week of work. In his rare visits to the shop-floor he reacted only to *pe'ilim*, asking only trivial questions such as how many bales were produced last night or the cotton of which kibbutz was being processed at the moment and he accepted technical manager Avi's misleading explanations for unsolved problems. He never tried to check them out with experts, nor did he ask experts any question that might have exposed ignorance. Shavit survived in the job for 5 years mainly because of the plant's 4 years of successful functioning, due to the committed, knowledgeable and involved action of the highly trusted technical manager, Thomas (below). In Shavit's fourth year Thomas left and detached ignorant Avi took his job, repeatedly failing before my very eyes.

3.3. Technical manager Avi concealed ignorance by detachment

Avi did not cope with the new automatic sampler that he had chosen following the success of samplers in other plants, each sparing a worker who took two samples from each quarter ton of cotton bale coming out of the large automatic hydraulic press (1500 ton pressure). The sampler stood by the registrar who was in charge of sampling. I was a registrar: I gave every bale a serial number, registered its details on two copies, one of which I attached to the bale running before me, took the samples from the machine (if it worked), gave them the bale number, and they were sent to the laboratory to define the bale's cotton quality. This I repeated every 1.75 min when the plant run full speed. The sampler had no mechanical problems but nevertheless it was blocked every now and then because of mistaken timing of its moving parts and a wrong pipe connection to the main, 30 inch cotton feeding pipe of the hydraulic press. Each blocking required immediate replacement by a sampling worker. Until one was found usually some 3–7 non-sampled bales waited to be sampled and then it took some 20–30 min of extra effort by the worker and the registrar to overcome work backwardness caused by the time lost.

At first Avi would sometimes come to help technicians coping with the troubled machine, but he soon stopped. The registrars complained about their hardships, and Avi said he was seeking a solution but he was bluffing (see below). The other two registrars gave up as they noticed this bluff and secretly helped block the machine, which soon remained blocked for good as the technicians gave up as well. I begged Avi that he or a technician travel to a plant 70 km away in which a similar sampler was working smoothly and learn how to solve the problem, but to no avail. When work at the plant was held up for a day as a main shaft was broken in the new cleaner (below), I traveled to the other plant, learned its solutions to the sampler problem, and submitted a detailed report to Avi and Shavit, who turned me away angrily and ignored it (e.g., Yanow, 2004). Avi clearly detached himself from the problem with a fake facade of being too busy with the cleaner problems, a facade that my trip had broken (Goffman, 1959) causing an angry reaction. Further proof came when the other plant's managers visited ours. Avi said: 'I didn't even have time to get their advice about the sampler', but that visit occurred during a 6-h long electricity failure; there was no work at all until the current was restored, hence, Avi was bluffing. Avi concealed ignorance as he:

1. Preferred not to be personally involved in the failed coping with the sampler.
2. Preferred not to consult knowledgeable colleagues about the machine.
3. Did not allow any expert enough discretion to find a solution.
4. All this was camouflaged, and the camouflage was camouflaged (Argyris & Schon, 1978: 31).

Much worse outcomes were caused by Avi's similar detachment from the new cleaner problems as this was a major machine in the ginning process. To make a long story short, both the US manufacturer and Avi had made major mistakes and the machine became blocked every 2–3 h when the process run at full speed, hence, operators often reduced speed by some 20% to prevent blocking, while fiber quality was damaged when the machine was broken and bypassed (some 60 h throughout the season). Repairing the manufacturer's prime mistake required halting the process for 48-72 h, while every hour stop meant that growers had to store 25 ton of raw cotton in the fields. Repairing Avi's mistake required a 10-h stoppage, but although technicians exposed it soon after starting operation, Avi stubbornly denied it and ignorant Shavit believed him, overruling technicians' complaints. Six weeks later the repair was done without Avi confessing his mistake. The manufacturer's mistake was repaired only after the season ended and after losses amounted to some $US 150,000–200,000.

Plant expert assessments of Avi's expertise explained failures. Technician Dromi, who later became a certified practical engineer, remembered Avi's early detachment:

> Avi used to walk many kilometers between the [two] production halls. He used to stand silently, watching what we were doing for a long time without uttering a word. Maybe he was trying to learn that way. He never helped dismantle or re-assemble a machine. He would have learnt much more by doing this. If he really wanted to succeed – that's what he should have done.

Melkman, a veteran expert in gears and speed reducers, described how pointless it was to consult ignorant Avi:

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> Avi is a good guy but from the point of view of professional know-how he's weak and has no real know-how. You can feel he never really worked in the maintenance of such machines. A good professional knows how to react [to questions] but not so Avi. He's not the right man... If you have a problem and take it to him and he never has a real solution for it, he is as much in trouble as you are, what's the point asking him?

Quite similar was Levi's testimony; he was the senior foreman and the informal deputy technical manager, and hence, was very close to Avi:

> Avi was so unsure of himself that you simply failed to understand his orders. So would start asking him questions and he would start stammering. He didn't understand anything [about ginning]. Thomas understood it in a quarter of the time. I don't remember ever receiving from Avi any good idea on how to solve a problem in all those years; he's incapable of being number one [in the technical domain]... he didn't contribute anything to the plant.

Dinitz, a turner and veteran mechanic with 15 years of experience, said

> Avi demonstrated a lack of real know-how in the professional fields, a real ability to cope required of a professional. Take for example this wheel [points to it] turned yesterday according to his orders; it's an absolute failure. This hardly ever happened to Thomas. Theoretically speaking, maybe Avi is quite good, but not when it comes to real coping and finding solutions. Then he's really weak, too weak.

More similar testimonies raise the troubling question: How did such an SMI continue for years? Did Avi's superiors not notice it? Answers to these questions were found by studying managerial ranks and the encompassing kibbutz field.

3.4. Success of involved trusted mid-managers, failures of detached distrusted ignorant ones

Yuval had come to the plant after Moav's two effective deputies had left, frustrated. As they had proved competent managerial leadership, they had hoped that the more senior of them would succeed Moav when his term ended, but as Moav remained because it served the CEO's power, they left in the sixth and eighth year, respectively. Plant functioning deteriorated because two 'parachuted' young *pe'ilim* (aged 33 and 35) succeeded them. One of them remained detached and ignorant, while the amateurish, autocratic arbitrary involvement of the other, Yuval, was detested and kept him ignorant as well. Nevertheless, 18 months later Yuval succeeded Moav since plant dysfunction was seen as an outcome of Moav's advanced age, 71. The Merkaz CEO chose Yuval as successor, because he was a fellow kibbutz member and a prospective loyalist on the Board, while the CEO was detached and missed Yuval's dismal record as deputy.

Then ignorant Yuval and his deputy made an substantial mistake which Shavit repeated 5 years later before my eyes: They replaced the veteran technical manager by a 'parachuted' young *pa'il*, Avi (30), a certified practical engineer who remained detached and ignorant during a year and half as deputy to the veteran technical manager. Avi replaced him and failed in the job (below); soon Yuval's deputy called his kibbutz garage manager, Thomas (35), also a certified practical engineer, to the rescue. Thomas succeeded due to vast mechanical experience ensuring psychological safety (Edmondson, 1999), encouraging ignorance exposure by involvement in deliberations, asking questions and making suggestions that soon created a virtuous trust and learning cycle, turning him into a ginning expert after two intensive years. He gained tacit knowledge from his own experience (D'Eredita & Barreto, 2006; Klein, 1998) and from employees who shared knowledge with him, moved to trust him due to vulnerable involvement and commitment to tasks (Zand, 1972). He listened to them, checked problems on the spot, helped solve them, and gained genuine feedback by using a democratic leadership style (Jo & Joo, 2011), becoming a non-charismatic servant transformational leader (Barbuto, 1997; Burns, 1978; Graham, 1991; Greenleaf, 1977) and a trusted member of employees' community of practitioners (Orr, 1996; also below), as well as a leading ginning expert in Israel, contrary to detached failing Avi. However, Avi's failure was better explained as part of his superiors' power considerations that encouraged importation of kibbutz member managers with irrelevant experience and little practical know-how and *phronesis*.

Before coming to the plant, neither Avi nor Thomas had never coped with anything similar: two complex automatic systems, each with dozens of large machines, connected by huge tortuous pipes and overhead and sub-ground conveyors, operated by some 200 and 250 motors of some 2000 and 3000 horsepower, respectively, that processed up to 15 and 25 ton of raw cotton per hour, respectively. Thomas had previously managed an agricultural machinery garage, while Avi had managed the locksmith shop of another kibbutz, both with two-three assistants, as against the plant's over a hundred employees in the high season and 27 permanent staff. Thomas had managed the garage for a few years, while Avi had held successive authority offices since the age of 20. Thomas's habitus was that of a mechanic who tries out solutions and often consults with others; he continued this and achieved outstanding success. Avi's previous positions, except for the last one, were political-social: youth organizing, heading kibbutz committees, and a term as kibbutz general secretary. His habitus encouraged guarded detachment that caused his failure.

But previous career paths were only part of the story. Yuval and his deputy brought Avi to the plant to succeed the veteran hired technical manager while keeping it a secret. Due to own ignorance, they supposed that intelligent, educated and experienced in management Avi would learn enough within a year or so as a deputy of the technical manager to succeed him, but kept this secret to prevent resistance since the natural successor was a hired experienced talented certified practical engineer who was unofficial deputy technical manager. They asserted that Avi was preferred because as a *pa'il* he was better tuned to serve kibbutzim, but this was denied by informant depictions of the deputy's committed service to kibbutzim. The true reason was the deputy's power: he was 10 years older than the two bosses, a very proficient ginner and very popular among the hired staff, and hence, was chosen shop steward. The young greenhorn ignorant bosses worried that he would be uncontrollable if promoted to technical manager and preferred a young *pa'il* like them, such as Avi.

Avi faced a tough involvement dilemma: His mechanical expertise was only theoretical and he had neither ties with trusted experts to teach him ginning, nor interactional expertise for intelligent communication with them (Collins & Evans, 2007). Had he tried to learn by involvement in deliberations, he would have exposed his ignorance and lost authority (Blau, 1955), which might have been regained only by achieving successes, but this was unlikely without relevant expertise. As depicted, he roamed the plant but remained distrusted and ignorant without vulnerable involvement (Zand, 1972). The veteran technical manager suspected that he had been brought in to succeed him and taught him only minimally, as did his informal deputy who saw himself as heir apparent. This secrecy enhanced Avi's doubts concerning learning prospects, encouraging his detachment.

Avi replaced the veteran technical manager after 18 months; Yuval and his deputy were too ignorant to discern his ignorance

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(Harvey, Novicevic, Buckley, & Ferris, 2001) as he used experts jargon (Collins & Evans, 2007). A renowned ginning expert who left for the US, disappointed by Israeli gin plant managers, explained it to me:

> The most appalling thing that 'killed' me time after time was the ignorance of 'parachuted' kibbutznik managers who thought that every good mechanic could operate a gin plant.

Operating an automatic high-capacity gin plant was a complex task that took years to learn. However, almost none of the gin plant managers had any experience in operating such a plant. Aside for the one involved successful plant manager mentioned, they all often replaced highly expert employees who had acquired and honed their skills for years with 'good mechanics' who lacked ginning expertise. This was true of Avi's first promotion to technical manager, resulting in a visible failure: As the ginning season commenced, machines started breaking down, one after another, and the plant stopped working for hours daily. The quality of ginning, which decided the cotton fiber price was poor, and disgruntled employees charged Avi with major mistakes, including those made when overhauling machines ahead of season. He had failed because he had neither learned from his own experience due to detachment, nor from others who had neither the will nor the trust to teach him. He received slanted partial information, was not aware of all the reasons for successes/failures and missed many cause–effect relationships.

However, when Thomas came to rescue, Avi was not fired: Thomas was formally appointed as second technical manager, explained by forthcoming plant enlargement for the booming cotton industry, while in reality, Avi became administrative aide to the technical manager Thomas. Avi kept management membership and symbols: an office, a company car and others. This fiction (e.g., Dalton, 1959: 28) served the power needs of the young ignorant bosses: Avi's dependency on them assured his loyalty while he supplied information and this helped to tame Thomas whose successes enhanced his prestige and power. A clear sign of Thomas successes and expertise was the invitation by the world's largest manufacturer of ginning equipment in the US to join its R&D center when he left the plant, frustrated, after 5 years. Another sign was his invention of an original automatic cotton feeder that was much cheaper and better fitted extant equipment than imported ones of world class manufacturers. It cost some $US 80,000 while an imported feeder cost about $US 250,000.

This innovation was explicable by Thomas's involvement that continued 18 years habitus of repairing machines by diving into their bellies (Harper, 1987), and learning in a community of practitioners (Orr, 1996). He had done this from the age of 14, during high school, 3 h daily (e.g., Pearlman, 1938: 151). His ample mechanical know-how enhanced communication and helped him solve problems that created ascending virtuous trust spirals as he trusted employees and allowed them discretion that furthered trust (Fox, 1974). Then committed experts exposed secrets that furthered his expertise, he made wiser decisions that enhanced their trust, and this cycle continued, creating an innovative-prone high-trust culture (Geneen, 1984: Chapter 4; Haslam, Reicher, & Platow, 2010: Chapter 4; Heskett, 2012: Chapter 6).

Thomas's success further explains Avi's failure: Avi lacked expertise; thus, he was afraid of failure and avoided ignorance exposure by detachment, while his habitus of coping with social problems also differed from Thomas's. Social problems could be evaded or a solution camouflaged, defending Avi's prestige when others coped, failed and lost prestige. Avi knew camouflage could not solve machanical problems, but he continued habituated behavior. This was reflected in appearances: Avi's working clothes were clean while Thomas's were dirty from coping with troubled machines. Avi consulted many outside experts, visited many plants in Israel and abroad, but remained a 'half-baked manager' (Dore, 1973: 54), never becoming a genuine one. As no one learns to swim without entering the water, so Avi did not learn to 'swim' in his job without involvement.

3.5. *Opposite groups and cultures: low-trust detached* pe'ilim *vs. high-trust involved ones*

Avi's detachment followed that of Shavit and five other *pe'ilim*, while Thomas led three involved *pe'ilim* and most of the hired staff. The formers, except for Avi, worked in the well-tended nice clean air-conditioned second floor of the office building, contrasting with the relative neglect and squalor of the first floor which housed the offices of Thomas, Avi and deputy manager Danton. Beside these there was also the small non-air-conditioned dining room serving the shift workers and seasonal workers, as well as showers and toilets (permanent staff working on the day shift dined at the industrial park's nice spacious air-conditioned dining hall). The offices of two other involved *pe'ilim*, the garage manager and the electric workshop manager, were situated in their sections and resembled the dirtier first floor offices. They reported to Thomas who was ranked third after the plant manager and his deputy Danton. Danton managed seasonal manpower, relations with cotton growers, cargo transport, and the yard which contained raw cotton stacks and processed cotton bales.

There is no leadership without the much less studied followership (Hollander, 1992); Thomas's success was fully explained by his conversion of the low-trust shop-floor culture into a high-trust culture although Yuval and then Shavit and other *pe'ilim* conformed to Merkaz's low-trust practices. As noted, Thomas chose vulnerable involvement in accord with his kibbutz garage 20 year habitus of egalitarian camaraderie and trusting servant leader involved in every recalcitrant problem and committed to professional excellence and innovation (Gobillot, 2007; Shapira, 2008: 106–109, 224–225). His unconventional behavior, in contrast to Avi, Shavit and other second floor *pe'ilim*, raised eyebrows, but soon expert employees trusted him, shared knowledge, and he in turn trusted them and delegated authority, creating an ascending trust spiral and rapid learning (Fox, 1974; Shamir & Lapidot, 2003). Becoming a trusted member in a community of ginning practitioners (Orr, 1996), status differences no longer blocked the flow of ideas and information (Simon, 1957: 230), furthering learning and successful innovative problem-solving, especially after Shavit (aged 30) and his deputy Danton (32) took charge.

Danton as an ex-cotton branch manager had similar egalitarian experience. He appreciated Thomas' efforts to solve the problems left by Avi's failure, and others due to renovation and enlargement, and as he also chose involvement in his jurisdiction, as in the cotton branch, gaining employees' trust. Danton and Thomas became the real managers, who ran the plant like Moav's two deputies, aside for administration, finances and business relations that were run by Shavit and his aides, while two other *pe'ilim*, the chief electrician and garage manager with similar habituses to those of Thomas and Danton, were also involved and joined the high-trust culture of the first floor and shop-floor.

Dirty work clothes versus clean clothes clearly differentiated the latter four from Shavit, Avi and the other *pe'ilim* administrators who worked on the clean, nicely decorated and air-conditioned second floor of the office building, detached from the dirty shop floor, the garage and the yard. The clothes of Thomas, the garage manager and the electrician were dirty as they dealt with dirty machines, while Danton could have remain quite clean if just managing transportation and yard operations by directing drivers of lorries, tractors and forklifts. But his experience in operating and problem-solving of similar machines in addition to the egalitarian

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management habitus encouraged involvement in every major problem, solving common mechanical failures, replacing a tractor driver for lunch, etc., hence, he too was dirty.

High-trust culture was engendered by another practice as well: accessibility of the four to employee communications (Thomas, Zolin, & Hartmen, 2009). They were mostly outside their offices and when in office their doors were mostly open, hence, easy to reach informally to receive and supply information, listen to complaints, work problems and suggestions, unlike the other *pe'ilim* who were inaccessible except for intrusions into their clean offices on the second floor, clearly differentiated from the dirtier first floor of Thomas and Danton's offices and the non-air-conditioned shift worker facilities.

Outside the building stood *pe'ilim*'s company cars which also signaled differences (hired employees received no such cars; a few had old cars): Shavit's and administrators' cars were brandnew models and clean as against lesser, not so clean cars of the four (only Danton got a new car after 2 years). Particularly dirty and old was Thomas's large station-wagon which he refused to replace with a new but smaller car, explaining that it enabled fast transporting of a burned heavy electric motor to a repair shop, shortening production time loss. Detached *pe'ilim* abstained more than the four involved ones, often traveled formally for business purposes found upon close scrutiny to involve private goals. The four involved managers had no time for these as they were busy with effective job functioning, hoping successes would enable tenure beyond the formal short *rotatzia* term. Additionally, Danton and sometimes Thomas frequently congregated with employees on the benches in front of the offices. Without prior knowledge, it was impossible to discern managers from foremen and workers; only if one arrived toward the conclusion of a discussion one could have seen that Danton or Thomas concluded what had to be done and all departed to do it. Most prior discourse was egalitarian and included an occasional dirty joke by a worker that sometimes pinned down a manager or foreman. Less frequently, the electrician and the garage manager dropped by, while neither Shavit nor Avi or any other *pe'ilim* participated in these informal meetings, another way of minimizing accessibility to subordinates.

There were additional high-trust practices that cannot be detailed due to a lack of space. The general picture, however, is clear: The four *pe'ilim* continued high-trust practices of kibbutz work units at the plant, ignoring the conformity of Shavit and other *pe'ilim* to surrounding low-trust culture. Their openness to frequent, authentic and credible communication with hired employees enhanced trust and co-operative involvement (Barbuto, 1997; Graham, 1991; Thomas et al., 2009), opened channels to the latter, contributing to management and leadership, which helped Thomas' exceptional success.

3.6. Detached leaders unduly trusted ignorant importees

Bower (2007) found that the best CEOs were inside–outsider successors (i.e., insiders who were not part of their predecessors' network of loyalists). They often brought fresh ideas that loyalist insider successors did not, while not suffering outsiderness (Karaevli, 2007). From a plant functioning perspective, though not from that of leaders' careers, the costliest mistake of detached outsiders was nominating subordinate managers with too little relevant expertise and *phronesis*, as their own ignorance prevented them from discerning it (Harvey et al., 2001). Like Yuval 5 years earlier, Shavit made this mistake when trusting Avi to be the technical manager when Thomas left on the eve of the season of my participant observation, after a 3-year struggle for his innovative cotton feeder had succeeded and it was built and proved successful. Detesting Shavit, who had deferred the innovation for so long by red tape, Thomas even did not attend its festive inauguration. Formally, at that time, Avi had been technical manager for 5 years.[4,5] This misled ignorant Shavit to believe that Avi could replace Thomas with the help of a new deputy, a young greenhorn practical engineer *pa'il*. But I witnessed Avi's repeated failures throughout the season, while Shavit and his deputy Danton repeatedly tried to convince Avi to cope with the problematic new cleaner that caused major losses and added ample extra hard work to operators who often had to clear machine jams every 2–3 h. But Avi, afraid of failure, refused and Shavit did not fire him to avoid the stigma of a failed appointment, while Zelikovich, Merkaz CEO, retained Shavit; had he fired Shavit he would have lost a loyalist in Merkaz's Board, his reason for nominating Shavit.

However, did Shavit not discern that Avi's title 'technical manager' was a bluff? Shavit was intelligent and resourceful. Later, as leader of a kibbutz factory who learned from his failure at the gin plant, he led it to eminence in the world market of its products with sales exceeding $US 100 million. He clearly discerned Thomas's advantageous expertise over Avi's, but he missed Avi's ignorance because of his own ignorance and because he had no trustful relations and open communication with those who knew Avi's incompetence. Intelligent Avi had misled ignorant Shavit by creating an expert image with expertise jargon acquired throughout the years. Four years earlier, Yuval's deputy had defined Avi correctly, saying 'he is not the right staff', explaining why he had rushed to bring in Thomas, but neither Shavit nor Danton knew that, nor did they discern Avi's camouflaged ignorance. Though Danton was Thomas's closest friend, he was busy with other chores and never involved himself in shop floor problems, missing the fact that he like Shavit was unqualified to judge Avi's expertise. Analysis of leaders' considerations in nominating and retaining ignorant *pe'ilim* will explain this further.

3.7. *Importing* pe'ilim *served oligarchic rule as in other IKCs*

The fish stinks from the head (a Hebrew folk saying).

Managers need power in order to manage; exceptional successes and breakthrough innovations that accrue prestige and fame can gain it, but these require risks which many avoid, and promote conservative loyalists rather than critical thinkers and innovators (Hirschman, 1970). Worse still, innovation requires empowering experts who may use power to enhance prestige, power and authority rather than a firm's aims, or even worse, leave the firm and use innovation developed on its premises to establish a competitor (Rifkin & Harrar, 1988: Chapter 10). Promoting loyalists or those bound to be loyalists, as they owe their advance to their promoter, empowers the executive without these risks. This was the prime reason for 'parachuting' of ignorant *pe'ilim* instead of promoting talented insiders, as well as oligarchic continuity (Michels, 1959 [1915]): Ignorant Avi was 'parachuted' instead of promoting the highly expert hired deputy technical manager because ignorant bosses feared the latter's power. These ignorant bosses had themselves been 'parachuted' because Moav was retained to support the oligarchic rule of the Merkaz CEO, violating the *rotatzia* norm stipulating a 5-year term and pruning effective knowledgeable deputies, one of whom could have become the plant's successful manager. This deputy had expertise, prestige and power acquired by much experience and many successes, but he might not have become a staunch loyalist of the CEO as Moav was; hence, Moav was kept on the job until matters became intolerable and then the recently 'parachuted' Yuval was nominated because of prospective loyalty to the new CEO and the CEO's ignorance concerning his dismal record as deputy.

[4] For 2 years Avi had left to be kibbutz secretary and then came back.
[5] Ethical reasons prevent detailing it.

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The gin plant managers emulated their nominators, Merkaz CEOs, who gained power by importing ignorant *pe'ilim* rather than promoting competent knowledgeable insiders. This practice was common in IKCs: Many CEOs were outsiders who imported such *pe'ilim* following this practice by prime leaders of the kibbutz movement who became oligarchic self-perpetuators ever since the late 1930s and kept leadership up to the 1970s (Beilin, 1984; Near, 1992–1997; Shapira, 2008; Shure, 2001). Merkaz CEO Zelikovich was an outsider with no local loyalists and no local knowledge that could have gained him successes. Without these and opting for SMI he was quite powerless; he replaced some managers with prospective loyalists or loyalists such as Shavit with whom he had close ties from his earlier job in another IKC (e.g., Gouldner, 1954: 71). Shavit promised to be a successful plant leader as he had succeeded in three previous managerial jobs, but he opted for detached SMI and tried to tame Thomas, empowered by successes, causing his exit and nominating ignorant Avi. Avi's failures caused his and Shavit's forced succession only a year later to save face for them and for CEO Zelikovich who was Shavit's patron. They both soon found other managerial jobs in the large field of hundreds of IKCs.

Importing ignorant *pe'ilim* rather than promoting knowledgeable insiders seemingly served kibbutzim's interests in IKCs, but in reality it served the rule of detached ignorant superiors and was a prime reason for importees' detachment. Importees discerned superiors' SMI and often followed suit, avoiding involvement that endangered their authority. In addition why would one learn job which, according to the kibbutz *rotatzia* norm, he would have to abandon within a few years (Shapira, 1995a)? Nurturing ties with superiors and prospective others in other IKCs who could advance his career in the large hierarchic inter-kibbutz system, with its hundreds of IKCs with over 4000 *pe'ilim* and some 17,000 hired employees, promised promotion much more than involvement and achieving effectiveness (Shapira, 2008), much as Luthans (1988) found in the US.

One can duly ask how owner kibbutzim allowed Merkaz CEOs and executives to lead and manage in this negative method that was clearly against their interests. For an answer one has to see Merkaz and its 40 kibbutzim as part of a much larger field analyzed in my publications from 1987 onward and summarized in my book (Shapira, 2008). In accord with oligarchy theory (Jay, 1969; Lenski, 1966; Michels, 1959 [1915]), the early successes of kibbutzim in the 1930s empowered leaders who perpetuated themselves, castrated democracy, centralized control, censored publications and became oligarchic and autocratic conservatives, causing mass exit of innovators and repeated brain-drains (Shapira, 2008). Oligarchic rule enhanced the use of capitalist practices in IKCs, and senior *pe'ilim* used power, privileges, prestige and tenures enjoyed due to these practices to dominate their kibbutzim, nominating their loyalists as managers while promising them future promotion to IKC privileged jobs in return for docility. This largely explains the passivity of owner kibbutzim (Shapira, 1995a, 2001, 2008).

4. Discussion and conclusion

What makes my study interesting and valuable for future research and practice? Let me discuss this issue by specifying the novelty of the findings and by relating them to previous research.

4.1. The novelty of findings and negation of previous ones

The semi-native anthropological study of leadership of five inter-kibbutz plants and parent IKCs found that outsider managers' decisive choice was either vulnerable involvement leading to virtuous trust and learning cycles, or detached and/or involved seductive/coercive SMI that engendered vicious distrust and ignorance cycles. Previously no one exposed and explained leaders and managers whose chosen practices systematically kept them ignorant. In this study, these choices were explained by minimal relevant local know-how and *phronesis* and a lack of interactional and referred expertises, and by habituses and career prospects, rather than by formal education, intelligence or other personal traits, hence, psychological leadership explanations were superfluous. SMI defended authority but degraded trust, knowledge-sharing, learning, problem-solving and proper decision-making, causing mistakes and failures. Knowledgeable kibbutz members were called to the rescue and their psychological safety due to pertinent knowledge, habituses and sometimes practices of other likeminded *pe'ilim*, encouraged vulnerable involvement and virtuous trust and learning cycles that led to successes. However, successes empowered involved leaders and frightened their bosses, who suppressed them until they left. Importing ignorant replacements repeated this cycle, while loyalty to CEO patrons enabled failing managers to advance their careers elsewhere in the large IKC system. Employees who acquired expertise and *phronesis* by hard work and learning from experience in practitioner communities shared these resources only with vulnerably involved *pe'ilim* who gained their trust. Unfortunately these were rare, unluckily for both kibbutzim and IKCs.

Vulnerable involvement is decisive for outsiders who suffer more local knowledge gaps than insiders (Bower, 2007). A detached outsider often consults according to status and credentials, which are barely related to pertinent local expertise and *phronesis*, or even worse, according to ingratiation, falling prey to impostors. Nor do results ensure discerning impostors without trustful relations with knowledgeable employees, while managerial powers interfere with discernment: Some employees fit their views to superior's, seeking the rewards s/he controls, while knowledgeable views of others are often depressed by a superior's views through the many ways that s/he impacts deliberations (Heifetz, 1995). Only her/his vulnerable involvement, open communication and learning efforts can ensure that deserved subordinates' views are rightly considered and s/he gains their trust (Geneen, 1984), enabling successful transformational leadership.

These findings support the critique of Carroll, Levy, and Richmond (2008) of the competency paradigm in leadership studies: Successful IKC leadership was more dependent on pertinent expertises and proper practices that signaled trust of locals and enabled acquiring essential local knowledge (Fine, 2012) such as vulnerable involvement, rather than on one's personal characteristics and education (Townley, 2002). All ethnographies referred to here and others known to the author but not mentioned for reasons of space support this contention while disproving Cole, Bruch, and Shamir's (2009) assertion that distance enhances the transformational leadership effect. Such an effect requires trusting leaders, but employees who discern leaders' distancing to conceal SMI react with distrust and suspicions that disrupt this effect. Distrust is enhanced when leaders perpetuate SMI by importing managers of their kind to empower themselves rather than promoting knowledgeable trusted and effective but quite powerful insiders.

Ideally, managers are promoted because of knowledge and competences, including the competence and interactional expertise of learning the required local know-how and *phronesis*, which is often more important than all other types of knowledge (Fine, 2012). But the higher a manager advances in a hierarchy, the smaller the part of required knowledge s/he brings with him and the larger the part he has to learn, especially an outsider. However, s/he also gains power to conceal ignorance and defend authority by detachment and/or seductive/coercive involvement and by other

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low-moral means, including blaming subordinates for her/his own mistakes, failures and wrongs. This case study shows that through such means an IKC's CEO can maintain 'the cloak of competence' and when SMI causes failures, rescuers from owner kibbutzim help maintain his authority and advance his career.

All the above leads to a major hypothesis: The prime positive impact of insiders' fewer knowledge gaps is not their direct impact on their leadership and management, but their indirect impact through lessening their ignorance exposure dilemma. Fewer gaps encourage vulnerable involvement and a virtuous trust and learning cycle. Hence, insiders are preferable, especially inside-outsiders who are critically thinking innovators (Bower, 2007), but ex-co-operative managers may also successfully lead inter-co-operatives/consorzis provided they have enough relevant expertises and habituses of vulnerable involvement that encourage involvement, virtuous trust and learning cycles and servant transformational leadership (Barbuto, 1997; Graham, 1991; Greenleaf, 1977) as well as that which Rosas et al. (2012) refer to as shared leadership. A transformational leader trusts followers, models commitment to tasks by hard work and by taking necessary risks that gain him trust and loyalty as he proves his integrity and leads them to success (Shapira, 2001, 2008; Simons, 2002). Involvement proves commitment by more working hours as it joins the leader's other chores, while projecting preferred identity to be followed by employees (Haslam et al., 2010). By involvement, s/he also learns employees' interests and wishes that his decisions can, serve another reason to trust her/him and to follow her/him (Poulin & Siegel, 2005).

4.2. Implications for co-operative practitioners and researchers

No formal education can spare incoming leaders the suffering of considerable ignorance; even insider CEOs are ignorant of domains they have not experienced, as well as those they did experience but not on lower echelons. They must learn much local knowledge by vulnerable involvement and virtuous trust and knowledge cycles which enable them to discern experts from impostors, realizing who draws on more relevant and reliable knowledge, uses artistic and intuitive sense more skillfully and offers more valid premises of decisions by better integrating experts' contributions. Recent co-operative leadership studies (Tuominen et al., 2010; Rosas et al., 2012) have indicated practices that enhance employee participation in decision-making and trust of leaders. Such studies analyzing leaders' assertions and ideals of co-operative leadership are important to abstract and elaborate ideas and theories in the field. However, for co-operative organizations to actually benefit of effective leadership, it is critical that leaders practice what they talk about (Simons, 2002). Some Merkaz executives also talked about such practices but rarely practiced them as they were a part of privileged kibbutz oligarchy that was detached from ordinary members and quite oblivious to the needs of their agriculture, contrary to its assertions (Shapira, 1987, 2001, 2008). Hence, researchers of co-operatives and inter-co-operatives/consorzi must also untangle and explain gaps between leaders' ideals (assertions) and their actual practices, which norms are assumed to or hoped to prevail versus those that prevail in fact. This requires anthropological research (e.g., Dalton, 1959; Jackall, 1988; Kasmir, 1996; Mehri, 2005; Shapira, 2012).

A prime practical implication for large co-operatives and inter-co-operatives/consorzi is the need to prefer insider successors. A considerable body of corporate research supports the preference for insiders (Bower, 2007; Collins, 2001; Heskett, 2012; Karaevli, 2007; Kotter, 1982; Santora, 2004). Such a preference can obtain for example a norm requiring a minimal inside period of several years for candidates for leadership jobs.

A second implication is the requirement of constitutional democratic measures that can prevent oligarchic rule. Instead of the kibbutz *rotatzia* (rotation) norm that enhanced such a rule leaders must be allowed for example up to four 3–4-year consecutive terms, while a third term will require a 2/3 majority and a forth an 88% majority among a pertinent constituency of superiors, peers and subordinates (Shapira, 2011). The constituency for a consorzi CEO can be a parliament of delegates chosen by co-operative members. Delegates who are frequently convened to decide major decisions can review a leader's behavior, would discern her/his dysfunction and moral decline at an early stage and replace her/him (Shapira, 2008: Chapter 18; 2010). The constituency for the selection and succession of a plant manager can be all employees plus representatives of the inter-co-operative/consorzi. Today even the Brazilian capitalist group of firms Semco (Semler, 1993) successfully uses such a democracy.

A third implication: As the decisive role of vulnerable involvement is clear it can be used as a major yardstick by those who appoint leaders/managers and their consultants when trying to figure out candidates' prospects of success in jobs by engendering a virtuous trust and learning cycle. Unlike complex yardsticks, such as socialization (Fondas & Wiersema, 1997), the criterion of a vulnerable involvement habitus in one's past is simple to ascertain. When this criterion is combined with the criterion of having pertinent expertises and competences for the job a successful choice is more probable.

4.3. Future research

The merit of the above propositions may be ascertained only if they are used in practice, while the profound effect of the involvement/detached SMI decision calls for further research not only among co-operatives. A major question for further study is which factors impact most the involvement/detachment choice. Four major ones have been discerned:

1. Extent of having pertinent knowledge, *phronesis* and expertises.
2. Habituses of either involved leadership or detached leadership.
3. Career prospects with either involvement or detachment.
4. How much the organizational culture and its contexts encourage involvement.

The relative weight of each factor was not measured and requires further study. Another question concerning involvement/detachment choice is the impact of employees' reactions on a leader's choice. A successor may choose involvement and trust employees, but if he is too ignorant and/or fool, their efforts to teach him may fail and they will stop. It is plausible that he will then regress to detachment and seductive/coercive control. This needs further study that may also find if/when the opposite change from detachment to involvement happens, as, for example, Shavit apparently changed on his next managerial job.

Last though not least are the cultural effects of involvement/detachment choice: Additional major cultural effects of contrasting choices by ignorant *pe'ilim* as against knowledgeable ones were exposed in the full ethnography (Shapira, 1987) and in the kibbutz field ethnography (Shapira, 2008). Ethnographers should allude to such effects whenever studying managerial behavior in order to make organizational research that matter (Flyvbjerg, 2006).

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