

Managerial Intelligence and Efficacy
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Research Highlights

Purpose:

Introducing the concept of managerial intelligence.

What is original? What is the value of the paper?

Concepts of cultural, figurative, operative and social intelligence are embedded into a coherent agency theory of the organization. *Intelligence* is the ability of an agency to appreciate and harness its own knowledge as information about its environment, to construct new knowledge converted from information about its experiences, and to pursue its goals effectively and efficiently.

Findings and Status of Research:

Managerial intelligence enables the consideration of the interests and influences within the internal environment (managers and staff) and with the external environment (stakeholders, institutions, counterparts in the task environment), the own goals of an organization and the goals of others, and facilitation of the development of ideas about the possible reactions of others in relation to the action taken by the agency.

Practical and social implications:

The concept of managerial intelligence constitutes a theoretical counterpoise to the literature on management paradox. What numerous management scholars call ‘a paradox’ and understand as ‘a simultaneous existence of two inconsistent states’ is the normal state of a well-functioning organization, reflecting an essential and indispensable constituting element of the organization as a viable system.

Keywords:

Configuration model; cognitive management; efficacy; managerial paradox; loyalty; organizational intelligence.

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Abstract

We find that views of ‘organizational paradox’ are misleading and as a paradigm in management education they rather afford incapable managers. As a counterpoise we suggest the concept of managerial intelligence that is derived from the perception that bi-polar traits of a normative organizational personality have an essential and indispensable mutually supportive function in the organization. Only that mutually supportive function can prevent pathologies to emerge within the organization. Thus, we suggest that managerial intelligence is about managing the auxiliary role of bi-polar traits in an organization in order to create motivated and coherent social systems with inbuilt innovative capabilities.

1. Introduction

Intelligence is the ability of an agency to appreciate and harness its own knowledge as information about its environment, to construct new knowledge converted from information about its experiences, and to pursue its goals effectively and efficiently. Managerial intelligence enables the consideration of the interests and influences within the internal environment (managers and staff) and of the external environment (stakeholders, institutions, counterparts in the task environment), an agency's own goals, and the goals of others, and facilitation of the development of ideas about the possible reactions of others in relation to the action taken by the agency.

Our interest here is *human agency theory*, which can be modeled as systems that have “the cognitive capacities of intention, forethought and the ability to react and to reflect, and from these capacities comes the *agentic perspective* through which adaptation and change in human development occurs. To be an agent is to influence intentionally one's functioning and life circumstances, and personal influence is part of the causal structure. Agential systems are seen to be self-organizing, proactive, self-regulating, and self-reflecting, and they are participative in creating their own behavior and contributors to their life circumstances” (Yolles, Fink & Dauber, 2011: 637).

In this context a bi-polar approach to personality traits is of importance. In our attempt to interpret the findings of Sagiv and Schwartz (2007), we deviate from their perception that bi-polarity implies “conflict”. In this fundamental aspect, our view of a system, be it an organization or a national economic system, is based on the central assumption that bi-polarity of traits (dimensions) is a necessary condition for the existence of a viable system. In comparison with significant management literature, we turn downside up and upside down. Eisenhardt (2000, p. 703) writes: “Paradox is the simultaneous existence of two inconsistent states ... This duality of coexisting tensions creates an edge of chaos, not a bland halfway point between one extreme and the other.” However, in the same Special Topic Forum of the Academy of Management Review, Lewis (2000, p. 769) concedes that “managing paradoxical tensions denotes not compromise between flexibility and control, but awareness of their simultaneity. Exemplars offer both/and insights into organizational characteristics and performance, emphasizing the coexistence of authority and democracy, discipline and empowerment, and formalization and discretion.”

Confirming the perceptions of Lewis (2007), but in contrast to the literature on paradox, our model is solidly based on the perceptions of Jung (1921, 1971) and Sorokin (1962, 1964), the former of which are strongly re-emphasized by (Blutner & Hochnadel, 2010): the alternate pole of a bi-polar trait has an essential and indispensable auxiliary function for the existence and survival of a system. In that sense, our model turns downside up: What numerous management scholars call ‘a paradox’ is the normal state, reflecting a necessary and indispensable constituting element of the organization as a viable system. ***The function of managerial intelligence then is to manage the bi-polarity of traits to the best of the organization.***

The intelligences may be seen as the driver for and the constraints of the achievements that an organization and its managers may be able to materialize: without intelligences there are no achievements; with low levels of intelligence poor results develop; and with high levels of intelligence good results can be achieved. Several forms of intelligence are widely referred to in the literature: intelligence at large (general intelligence), cultural, social and emotional intelligence. In the context of strategic thinking and operational activity, we may further distinguish between figurative and operative intelligence. It is also known that gaps between desired and actual *efficacy* impact on work satisfaction and *emotions*, i.e. impact on emotional intelligence. Since these various concepts are only loosely related to each other and also hardly link to the different classes of organization theory and to various approaches of organizational culture theory, we undertake the effort of defining a new theory based on the notion of normative personality, with particular emphasis on the role of the cognitive domain of systems and intelligences of social systems.

With this paper we address the issue that so far there were no clear links established between the theories and empirical findings about organizational intelligences, organizational culture theory, organizational theory, and psychology. Our attempt is of importance because without well-defined links between the seemingly unrelated classes of theory it is not possible to make adequate diagnoses of the state of organizations. The *cybernetic approach* is of importance for building a theory, which at the next step can be empirically applied and deliver insights into the relation and the intra-organizational dynamics between organizational culture and worker satisfaction, between management action and worker loyalty, and, finally should be able to indicate *emerging pathologies* within organizations.

The paper is structured as follows: First, we offer a brief overview about selected concepts of assessment and measurement of intelligences and efficacy in agency traits. Next, as a frame of reference we are presenting the model of collective agency and its traits. These traits are discussed in the light of the auxiliary function of the alternate poles of the traits. We develop a set of types of organizational cultures and discuss the auxiliary function of the alternate trait poles. Discussion and conclusions close this paper.

2. Intelligence

The notion of intelligence can apply to both individuals, and to organizations. Firstly, there is a connection between personality and intelligence (Haslam & Baron, 1994), and personality may be individual or corporate. Secondly, there is a consistent endeavor in social theory to relate organization and individual theory together, synergizing and harmonizing apparently distinct terms of reference. Bridges (1992) and Boje (2002) provide an illustration of this. Perhaps more well-known is the work of Kets de Vries (1991) who, in his book "Organizations on the Couch" adopts a Freudian view about dysfunctional and neurotic organizations (see also Kets de Vries, 2004). We are told that they can develop feelings of guilt, adopt collective psychological defenses that reduce pain through denial and cover-up, and operate through processes of power that might be unproductive. Such conditions may be treated by a corporate (or socio-psycho) therapist. In general the function of the therapist is to "treat" a collective by helping it deal with its own pathologies (including neuroses), thereby enabling it to "improve" its behavior. This is not only intrinsic behavior that is directed towards its own internal environment, but also its extrinsic behavior that is directed to its external social environment. Such agents behave consistently and have a rationality that can be explained. However a *social agent* may behave independently from the individuals that compose it because the normative anchors for social behavior may be different from the anchors of individual behavior, as was shown by the literature on Strategic groups (Fiegenbaum & Thomas, 1995); Herding (Hirschleifer & Teoh 2003, Welch, 2000); Groupthink (Janis, 1972); and the famous Abilene Paradox (Harvey, 1974).

Piaget (1950) attempted to measure *general intelligence* in children using cognitive testing approaches to assess their concrete and formal operative strategies. In the context of children, the distinction between *figurative and operative intelligence* is shown in a map of cognitive development

by Demetriou, Doise and Van Lieshout (1998, p. 186). The Piaget tests were designed to look for particular types of understanding and/or reasoning (Bybee & Sund, 1982). Outside the child learning context the concepts of figurative and operative intelligence have not been used.

Cantor and Kihlstrom (1987) define *social intelligence* in terms of an agency's fund of knowledge about the social world, geared to solving the problems of social life and managing the life tasks, concerns or personal projects which an agent either selects or is assigned. 13 years later, Kihlstrom and Cantor (2000) provided a useful review of the notion of social intelligence and its relation with other theoretical constructs. E.g., Thorndike (1920) sees social intelligence as the ability of an agency to perceive its own and others' internal states, motives, and behaviors, and to act toward them in an appropriate way. Kihlstrom and Cantor (2000) further argue that social intelligence cannot be evaluated abstractly, but rather with respect to context and in relation to the purposes it serves from the agency's perspective. They set up criteria for the assessment of social intelligence through the use of empirical psychometric tests. For instance, Kosmitzki and John (1993) had identified 18 features of social intelligence including the core attributes of:

- a) understanding people's thoughts, feelings, and intentions well;
- b) being good at dealing with people;
- c) having extensive knowledge of rules and norms in human relations;
- d) being good at taking the perspective of other people;
- e) adapting well in social situations; being warm and caring; and
- f) being open to new experiences, ideas, and values.

In the literature we also find a variety of attempts to measure *organizational intelligence* or sub-forms like *competitive intelligence* (see also Roucach & Santi, 2001), which largely have no systematic link to most of the different classes of organization theory dealing with strategy, structure, operations, organizational culture or the organizational environment as identified by Hatch and Cunliffe (2006). To some extent, the now following approaches can be connected with *cybernetic intelligence* as described by Schwaninger (2001), for whom (consistent with agency theory) the *intelligent organization* has:

- 1) adaptability;
- 2) effectiveness in shaping its environment;
- 3) virtuosity (the ability to create a self-reconfiguration in relation to its environment);
- 4) sustainability (the ability to make positive net contributions to viability and development of the larger supra-system in which the agency is embedded).

Albrecht (2003) proposed a measure of *general organizational intelligence*, which has been used by Yaghoubi, Moloudi and Haghi (2010). Albrecht created a model of seven key dimensions of an organization, which were adopted as independent variables on which organizational intelligence depends.

- 1) strategic vision,
- 2) shared fate,
- 3) appetite for change,
- 4) heart (giving more than contracted),
- 5) alignment and congruence (relating to team-working),
- 6) knowledge deployment, and
- 7) performance pressure (which everyone owns with operational imperatives for shared success).

Gonyea and Kuh (2009) proposed three core dimensions of *organizational intelligence*:

- 1) technical and analytical intelligence;
- 2) intelligence of understanding procedural problems;
- 3) and context intelligence.

Potas, Erçetin, and Koçak (2010) related these constructs to the notions of Erçetin (2000) from which the following set of independent variables arises:

- 1) promptness in action and reaction;
- 2) adaptation to changing situations;

- 3) flexibility and convenience of operations;
- 4) ability to detect prudence and being prudent;
- 5) ability to use imagination;
- 6) effective communication with stakeholders.

The concept of *cultural intelligence* (Earley & Ang, 2003) posits that understanding the impact of an individual's cultural background on their behavior is essential for effective business. Earley and Ang suggest that it is possible to measuring an individual's ability to engage successfully in any environment or social setting and identified four basic aspects of cultural intelligence (see <http://culturalq.com/fouraspects.html>). Measures of cultural intelligence are provided by “The Cultural Intelligence Center” based in East Lansing, Michigan (<http://culturalq.com/measure.html>). These include the identification of intelligence as Cultural Quotients (CQ), and a number of dimensions of these have been proposed that are aggregated into CQ-drive, CQ-knowledge, CQ-strategy, and CQ-action:

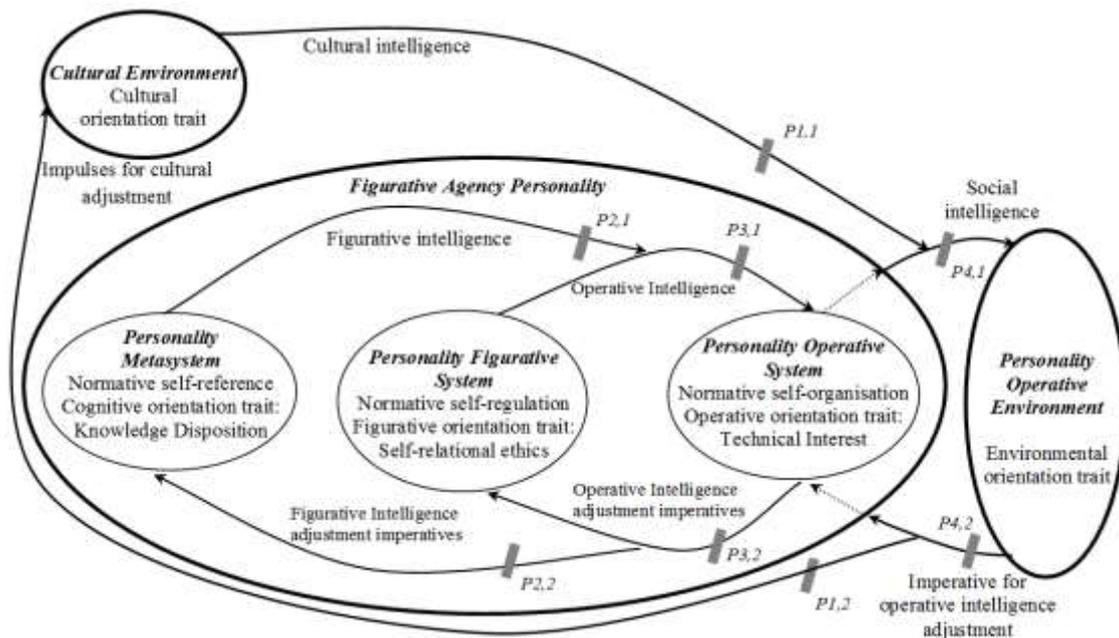
- 1) *CQ-Drive* is the interest of an agency in experiencing other cultures and the extent to which one thinks to be capable of interacting effectively with people who have different cultural backgrounds.
- 2) *CQ-Knowledge* is an agency's knowledge about how cultures are similar and how cultures are different.
- 3) *CQ-Strategy* is how an agency makes sense of culturally diverse experiences.
- 4) *CQ-Action* is an agency's capability to adapt verbal and nonverbal behavior to make it appropriate to diverse cultures.

Given that wide diversity of approaches towards organizational intelligence, we aim at an approach that is capable to integrate the concept of intelligence with organization theory and organizational culture theory.

3. Modeling the Normative Personality of a Collective Agency

In order to understand normative personality, we find some direction from theories of the individual personality. Support for this comes from a number of sources (e.g. Bandura, 1999; Barley, 2007; Brown, 1961; Gindis, 2009; Hofstede, Pedersen, & Hofstede, 2002), with agents behaving consistently as “legal corporate persons”, and with a unitary rationality that can be explained. In Figure 1 we offer a self-contained model of *normative personality*, consisting of three domains: a personality metasystem, a figurative system and an operative system (cf. Yolles, Fink and Dauber 2011). The *normative personality* model has extensions with respect to its external relations. On the one hand, any organization is embedded into a *cultural context* providing general *cultural orientation* to the organization. On the other hand, any organization has to secure its survival. Thus it has to create sufficient income (gain resources), which is equal to or exceeds the existential needs. With reference to activities of an agency, we refer to an *operative environment*. There, tasks are performed and revenues can be gained (Figure 1).

Figure 3: Normative Personality as a Cognitive System with Intelligences and Traits



Note to Figure 3: The bars at $P_{i,j}$ refer to pathologies that can arise through both intelligence limitation and impeded efficacy when information flows are disregarded, neglected or blocked (pathology types emerge where $i=1,4$ and order $j=1,2$).

The traits indicate the importance which is assigned to the alternate information flows. *Personality preferences* define a personality's intended trait orientations (Table 1). The five traits in the model interact with the intelligences.

The *five traits* indicate general orientations that together determine the character of the agency and which guide the intelligences. The *three formative traits* of the normative personality are adopted from Sagiv and Schwartz (2007):

Autonomy/Embeddedness: Autonomy emphasizes that individuals are independent individual agents. Embeddedness emphasizes that individuals are agents only within a binding social context.

Mastery/Harmony: Mastery emphasizes that individual achievements are the ultimate goal of human action. Harmony emphasizes that social harmony is the ultimate goal of human action.

Hierarchy/Egalitarianism: Hierarchy emphasizes that rank order of power is the ultimate operative principle in a society. Egalitarianism emphasizes equal rights and roles of all individuals within a society.

Since the organization as a normative personality is in interaction with its environment, for the comprehensive agency model we have to consider two more traits, which as 'attractors' influence agency behavior, in the sense that there is no direct formative impact. These traits support a set of behaviors, which by and large are considered as being 'normal' for a specific environment. *Sensate/Ideational* is adopted from Sorokin (1962): Sensate emphasizes that reality is sensory and material, pragmatism is normal. Truth is apprehended through the human sensory apparatus. Ideational emphasizes that reality is supersensory, social coherence is of importance, and morality is unconditional. Truth is manifested through transcendental meditation, prayer, religious faith and divine illumination.

Dramatist/Patternner is adopted from Shotwell, Wolf and Gardner (1980): Dramatist emphasizes that social structures support the pursuing of goals for individual benefit. Self-presentation and communication with others is of importance. Patternner emphasizes that social structures support the pursuing of goals that should be for collective benefit. Configurations are important in social relationships (symmetry, pattern, balance, and the dynamics of relationships).

Table 1: Domains and Orientation of Traits and Intelligences of a Normative Personality as a Cognitive System

Domains	Traits	Orientation of Traits and the Intelligences
Cultural Environment	Cultural orientation trait	General orientations of trait: Sensate/Ideational Contrast of between sensory cultural knowledge and spiritual cultural knowledge and orientation.
Personality Metasystem	Cognitive orientation trait	General orientations of trait: Autonomy/Embeddedness Contrast of own figurative images of the world (own worldview, own ethics) and others ethics and worldviews.
Figurative System	Figurative orientation trait	General orientations of trait: Mastery/Harmony Contrast of own strategies and interests with interests and strategies of others.
Operative System	Operative orientation trait	General orientations of traits: Hierarchy/Egalitarianism Contrast of own technical and organizational capabilities with competing technical and organizational capabilities of others.
Operative Environment	Environmental (or social) orientation trait	General orientations of trait: Dramatist/Patterner Contrast between action orientation (change the world) and learning orientation (learn from others).

The model presented in Figure 1 provided the ex post theoretical foundations for the eclectic configuration model of organizational culture by Dauber, Fink and Yolles (2012). There, the claim is substantiated that the model in Figure 1 can link up with different classes of organisation theory and with different configuration models of organizational culture.

4. Traits and Mindsets

The traits of the normative personality and the values which constitute the three bi-polar traits are shown in Table 2. After studying the publications by Schwartz (1990, 1994, 1999, 2008) and Maruyama (1980, 1988, 2008) we decided to put affective autonomy together with mastery into the same alternate pole perspective to harmony. A perspective which to some extent was kept open by Sagiv & Schwartz (2007) who maintained affective autonomy as a separate notion, because it seemingly is also related to the broader concept of individualism.

Table 2 Three Bi-Polar Traits of Organizational Culture (modified with respect to affective autonomy) derived from Sagiv and Schwartz (2007).

Traits	Dimensions/Poles	Values/Items
Cognitive	Intellectual Autonomy	[broad-mindedness, freedom, creativity, curious]
	Embeddedness	[polite, obedient, forgiving, respect tradition, self discipline, moderate, social order, family security, protect my public image, national security, honor elders, reciprocation of favors].
Figurative	Mastery & Affective Autonomy	[successful, ambitious, independent, influential, social recognition, choosing own goals, daring, capable] [exciting life, varied life, pleasure, enjoying life, self-indulgent]
	Harmony	[accept my portion in life, world at peace, protect environment, unity with nature, world of beauty]
Operative	Hierarchy	[authority, wealth, social power; humble]
	Egalitarianism	[loyal, equality, responsible, honest, social justice, helpful]

Beyond the individual values attached to the normative personality traits, all five traits and their enantiomer characteristics are summarised in Table 3. The normative personality is influenced by the ambient host culture into which the agency is embedded, thus we characterize the *cultural orientation trait* with '*sensate vs. ideational*'. Social orientation is an extension of the agency personality that orientates it within the social environment that hosts it, with *dominant behavioural characteristics* as '*dramatism vs. patternism*'. Both, the cultural and the environmental (or social) orientation trait are therefore part of the agency's personality environment, and both are also indicative of changing contexts that influence personality. With respect to the self-control of an agency, the cultural orientation trait acts to constrain personality through normative self-reference and identity. The figurative orientation trait is concerned with normative self-regulation, and the operative orientation trait is concerned with normative self-organisation.

Table 3: Summary of the Five Traits for an Agency and their Bi-polar Enantiomers

Trait	Enantiomer	Nature	Key words/ Values
Cultural	Sensate	Reality is sensory and material, pragmatism is normal, there is an interest in becoming rather than being, and happiness is paramount. People are externally oriented and tend to be instrumental and empiricism is important.	The senses, utilitarianism, materialism, becoming, process, change, flux, evolution, progress, transformation, pragmatism, temporal.
	Ideational	Reality is super-sensory, morality is unconditional, tradition is of importance, there is a tendency toward creation, and examination of self.	Super-sensory, spirituality, humanitarianism, self-deprivation, creativity of ideas, eternal.
Cognitive	Intellectual Autonomy	People seen as autonomous, bounded entities who should find meaning in their own uniqueness and who are encouraged to express their internal attributes (preferences, traits, feelings and motives). Intellectual autonomy encourages individuals to pursue their own ideas and intellectual directions independently.	Autonomy, creativity, expressivity, curiosity, broadmindedness.
	Embeddedness	People are viewed as entities embedded in the plural agency. Meaning in life comes through social relationships, identifying with the group, participating in its shared way of life and striving towards its shared goals. Such values as social order, respect for tradition, security and wisdom are especially important. Embedded cultures emphasise maintaining the status quo and restraining actions or inclinations that might disrupt in-group solidarity or the traditional order. Embrace responsibility and duty and commit to shared goals. Connected with Transactional scripting that constitutes simple repetition and sameness.	Polite, obedient, forgiving, respect tradition, self-discipline, moderate, social order, family security, protect my public image, national security, honour elders, reciprocation of favours.
Figurative	Mastery & Affective Autonomy	Encourages active self-assertion to attain group or personal goals and to master, direct and change the natural and social environment. It is basically monistic in nature. The affective autonomy aspect that is encouraged is the pursuit of affectively positive experiences. It encourages individuals to pursue affectively positive experience for themselves. Likely to treat others as independent actors with their own interests, preferences, abilities and allegiances. Others need autonomy to self-develop own ideas.	Ambition, success, daring, competence, exciting life, enjoying live, varied life, pleasure, and self-indulgence.
	Harmony	Trying to understand and appreciate rather than to direct or exploit. This orientation emphasizes the goals 'unity with nature', 'protecting the environment', and 'world at peace'. It is basically pluralistic in nature.	Acceptance of portion in life, world at peace, protect environment, unity with nature, world of beauty.
Operative	Hierarchy	People are socialized to take the hierarchical distribution of roles for granted and to comply with the obligations and rules attached to their roles. In hierarchical cultures, organizations are more likely to construct a chain of authority in which all are assigned well-defined roles. There is an expectation that individuals operate for the benefit of the social organization. Sees the unequal distribution of power, roles and resources as legitimate. This has an implicit connection with power and power processes.	Social power, authority, humility, wealth.
	Egalitarianism	Seeks to induce people to recognize one another as moral equals who share basic interests as human beings. People are socialized to internalize a commitment to co-operate and to feel concern for everyone's welfare. They are expected to act for others' benefit as a matter of choice. Organisations are built on co-operative negotiation	Quality, social justice, responsibility, honesty.

		among employees and management. This has an implicit connection with service to the agency.	
Social	Dramatism	Individual relationships to others are important, constituted as sequences of interpersonal events. Communication is important, as are individuals and their proprietary belief systems, and individual social contracts. Goal formation should be for individual benefit. Ideocentric agencies are important, operating through social contracts between the rational wills of its individual members.	Sequencuality, communication, individualism, contractual, ideocentric.
	Patternism	Configurations are important in social and other forms of relationships. There is persistent curiosity. The social is influenced by relationships with individuals. Some importance is attached to symmetry, pattern, balance, and the dynamics of relationships. Goal seeking should be for collective benefit, and collective goal formation takes precedence over personal goal formation. Allocentric collectives are important, where the members operate subjectively.	Configurations, relationships, symmetry, pattern, balance, dynamics, collectivism, allocentric.

Now, for the moment leaving aside the external relations, from the three bi-polar normative personality traits of Sagiv and Schwartz (2007) as combinations of the six alternate poles (or ‘enantiomers’; Yolles 2006) intellectual autonomy or embeddedness, harmony or mastery, egalitarianism or hierarchy, we can develop eight distinct “Sagiv-Schwartz mindset-types” of normative personality. We find that four pairs of the 8 mindset types constitute broad opposites. Generally speaking, it is possible to take the two sets of polar opposite mindset types in Table 4 as variations of either Individualism or Collectivism. This broadly reduces the complexity of personality, at least for a macroscopic description.

Table 4: Mindset Types and their enantiomers and their orientation tendencies towards Individualism or Collectivism (Source: Yolles & Fink, 2013)

<u>Individualism Type</u>		<u>Collectivism Type</u>	
<i>Mastery Individualism</i>	Enantiomers	<i>Harmony Collectivism</i>	Enantiomers
1: HI Hierarchical Individualism	Intellectual Autonomy Mastery & Affective Autonomy Hierarchy	8: EC Egalitarian Collectivism <i>[Mindscape: S]</i>	Embeddedness Harmony Egalitarianism
2: EI Egalitarian Individualism <i>[Mindscape: I]</i>	Intellectual Autonomy Mastery & Affective Autonomy Egalitarianism	7: HC Hierarchical Collectivism	Embeddedness Harmony Hierarchy
Harmony Individualism => Synergism		Mastery Collectivism => Populism	
3: HS Hierarchic Synergism	Intellectual Autonomy Harmony Hierarchy	6: EP Egalitarian Populism	Embeddedness Mastery & Affective Autonomy Egalitarianism
4: ES Egalitarian Synergism <i>[Mindscape: G]</i>	Intellectual Autonomy Harmony Egalitarianism	5: HP Hierarchical Populism <i>[Mindscape: H]</i>	Embeddedness Mastery & Affective Autonomy Hierarchy

These eight types are ‘types of extremes’. They also indicate the possible directions of difference enhancing forces within the agency. Considering that more balanced attitudes are also possible – in fact not only possible, perhaps also desirable – we may end up with 27 distinct types, which are derived from combinations of three distinct states of three traits: first pole - balanced state - second pole. The 27 possibilities in the system include the 8 unbalanced mindsets that are combination of three extreme poles (as in Table 4); 1 congruent mindset composed of 3 balanced traits; 6 strongly congruent mindsets with 2 traits balanced, and 12 weakly congruent mindsets with only 1 trait in balance.

5. The auxiliary function of enantiomers

While we show that mindscape types can be transparently generated from combinations of bi-polar traits that arise from Sagiv-Schwartz (2007) the functions of these traits are explained through Jung's (1923) theory of personality, where traits can be inferred as having some virtual nature, and can take one of a pair of bi-polar epistemic values. These bi-polar values have an interactive relationship, and act as auxiliary functions, one in relation to the other Blutner & Hochnadel (2010). Similar thoughts were expressed by Tamis-LeMonda et al (2007) in their individualism/collectivism study of parents with interest in the development goals of their children. They argue that within cultural value systems, presumed polar opposites may be viewed as conflicting, additive, or functionally dependent. However, when in their educational efforts parents embrace individualism and collectivism it occurs because these presumed opposites are in dynamic coexistence. In response to changes across situations, developmental time, and in response to social, political, and economic sub-contexts, either achievement/individualism attitudes are emphasized or social harmony/caring/collectivist attitudes. The reason is that without achievement orientation individuals may not exploit their capabilities, but without social orientation, they may care less about social obligations and also of their parents.

Explicating three criticisms of the individualism-collectivism dichotomy, Schwartz (1990, p. 139) also found that the assumed "dichotomy leads one to overlook values that inherently serve both individual and collective interests (e.g., wisdom), it ignores values that foster the goals of collectivities other than the ingroup (e.g., universal values, such as social justice), and it promotes the mistaken assumption that individualistic and collective values each form coherent syndromes that are in polar opposition."

Thus, it is appropriate that we now consider what the notion of "balanced traits" might mean. When we refer to an agency or a normative personality with a 'balanced trait' we do not mean that each individual personality active within the agency should have exactly the same values and attitudes. Rather, *by the term 'balanced traits' we adopt a metaphor for an interactive and auxiliary process that results from a mix of values that comes from the degrees of ascendancy of each the alternate poles of a trait. In a 'balanced state' a trait adopts values that drive an agency to respond to situations through an enhanced auxiliary function.*

An agency is viable if it is able to survive in different social contexts by mobilizing the most appropriate attributes of its values, beliefs and resulting attitudes that emerge from the alternate poles. Such a harnessing is not always possible since the values of an agency may deny this, which explains why instead of an agency maintaining its viability, it may decline and terminate. In understanding this, it would be appropriate to more carefully examine responses to two questions: (1) what are the natures and main functions of each of the paired enantiomer orientations, and (2) what is the function of the auxiliary interaction between the enantiomers? Next, these attributes we shall explore across all five enantiomer pairs.

Considering the *cultural trait*, the Sensate and Ideational enantiomers, the main attributes of *Sensate culture* are material or this-worldly, and it fosters the capability of individual survival here and now! Sensate agencies are good at satisfying their own needs and desires by whatever means available. There is strong action orientation with not much regard of consequences for others. That can include reckless action and exploitation of resources. *Ideationality* is other-worldly. It is coherence oriented and, thus, also fosters harmony. Its

main attributes are that it secures future survival through the creation and development of concepts and understandings that emerge as ideas and schemas of thought as reflections of changing situations.

When the culture trait finds an enantiomer balance, it develops what Sorokin (1950: p. 248) calls an *Integral* or *Idealistic* culture (Nieli 2013: p.15), in which the Sensate and Ideational enantiomers are congruently blended in a mutually enriching partnership. The enantiomers are creating a cultural auxiliary function for the agency. Where an Idealistic or Integral culture takes dominance, the nature of the auxiliary function is that Ideation fosters coherence through the creation of ideas about harmonious opportunities of satisfaction of needs and desires, and Sensate offers ways and means to implement ideas and is also indicative of what operationally does not work. Ideation then fosters the development of insights what the long term effects of current practices might be. In that sense, the integral type supports ‘mutually enhancing, supplementing and correcting the distortions and omissions which inevitably flow from [the] natural human tendency towards one-sidedness and restricted vision.’ (Nieli 2013, p.15).

With respect to *Intellectual Autonomy* and *Embeddedness* we can posit that a major benefit of *Intellectual Autonomy* is its capacity to foster creativity. Intellectual Autonomy is a precondition for innovation, i.e. to generate ideas that go beyond existing limits. Limits are set by knowledge and practices. Thus, intellectual autonomous agencies go beyond the limits of the cultures into which they are embedded and set impulses for operative, strategic and cultural change. Ideational values and attitudes can foster the creative capacities of intellectual autonomy. Without intellectual autonomy the agency would be limited in its creative and adaptive capabilities.

A major attribute of *Embeddedness* is wisdom and knowledge storing, i.e. to keep the memories of knowledge. Embeddedness secures coherence of a social whole (of an agency) through referring to traditions, common interest, keeping the common body of knowledge alive and creating awareness of available resources. Through awareness about available resources, Embeddedness contributes to creating clarity about feasible strategies which can be pursued with the available resources. Through Embeddedness excellent ideas created by intellectual autonomy can come to fruitions. If Embeddedness is too strong, it may suppress new ideas and even prevent new ideas to emerge. If Intellectual Autonomy is too strong, permanently creating new ideas and attempts to implement them may exhaust available resources and could lead to the demise of the agency.

Mastery and *Affective Autonomy* form the alternate pole to *Harmony*. The main benefit of *Mastery* is the strong achievement orientation of agents. Everyone does his/her best to deliver desired performance. Strategies towards active self-assertion are promoted in order to master, direct, and change the natural and social environment and to attain group or personal goals. *Affective Autonomy* is granting that those who achieve high efficacy also can enjoy the benefits of their efforts. These two facets of the enantiomer constitute an important element of individualism. *Harmony* regulates the attitudes towards human and natural resources. It is directing agency strategies towards a positive attitude to the social and natural world, trying to appreciate and accept rather than to change, direct, or exploit. Harmony is also perceived as one constituting element of collectivism.

These enantiomers operate as an *auxiliary function* by enabling the generation of accessible Ideational and Sensate responses to a changing environment, and this is needed for cognitive

or operative survival. Thus for instance in a predominantly ideational culture humane values and strength of character (keeping to major moral values as prescribed by religion) may be important, while in a predominantly Sensate culture desire and enjoyableness may be. An Idealistic balance between these might develop an auxiliary function that takes responsibility for the maintenance of social coherence and economising use of natural resources, considering socialization and nature as enjoyable by themselves. However, without **Mastery** orientation nothing may be achieved, but with extreme mastery orientation the social fabric of the agency may collapse, cooperation may not happen and thus, forcefully competing uncoordinated individual action finally will threaten survival of the agency. Taken to the extreme, excessive **Harmony** orientation may abolish all incentives to do anything. Thus, nothing would be achieved, no response is sought to survival challenges, and the delight in nature itself may also find its limits when the threats of nature are not mastered. Harmony ensures coherence of the social fabric because it makes social life enjoyable, in particular if something is collectively achieved.

The main attribute of **Hierarchy** is its function in rule setting and ex-ante coordination of action. Hierarchy reduces available options of a broad range of theoretically possible patterns of behaviour to a limited set of 'useful' patterns of behaviour, which apparently in the past proved to be efficient. Thus, constraining rules are implemented as there is no perceived need to devote resources to reinvent already known successful patterns of behaviour. Hierarchy also has a physical control function. It sets ex-ante targets to be achieved and which can be controlled ex-post. The limits of hierarchy are set by the information and resource needs of control. Hierarchy depends on the information supplied by those to be controlled, and control needs resources, which if bound in controlling are not available for productive action. Thus, the more subordinate agents are controlled the less correct the supplied information will be and the less resources are available for productive and effective action of the agency.

The main attributes of **Egalitarianism** are loyalty, honesty and responsibility. Strong hierarchical control makes agents less loyal, less honest and less responsible against the agency. Thus, the more power holders of an agency can do without control the less control cost they have and the more they can achieve through loyal and responsible agents.

Without hierarchy, no coordination of action would happen; the agency could not develop adequate operative decisions. The demise begins, when costs of control increase faster than the gains which can be achieved with more control. With too much hierarchy, power holders finally will have not much left what would be worth to be controlled. This marks the ultimate collapse of all dictatorial systems.

The main attribute of **Patterning** is curiosity about the social environment, how it works and what services could be supplied to what the authors called elsewhere the 'task environment'. It collects information. Limits are set to the activities of patterning if no selection and evaluation of this information would take place within the agency and if no adequate strategic and operative action would follow. The main attribute of **Dramatising** is to make others in the social environment know who we are (we – the agency) and what we can (do for you)! Dramatising is losing its substance, when counterpart agencies perceive the information provided as being detached from an actual situation. The auxiliary functions of patterning and dramatizing in an Idealist culture are that patterning collects and controls the validity of information about the outside world, and dramatizing is the art to tell the outside world that the agency does have collected and weighted appropriate information and thus has the knowledge, means and abilities to do something about a specific situation.

6. Intelligences of the agency

In Figure 1 we find four *types of intelligence* which emerge from a specific domain and guide information flows or action rooted towards other domains: cultural intelligence, figurative intelligence, operative intelligence, and social intelligence.

Now, in light of the configuration model of organizational culture (Dauber, Fink and Yolles, 2012) we can distinguish 10 processes of a functioning organization (Table 5). These processes need to be managed through managerial intelligence. This is done with orientation of cultural, figurative, operative and social intelligence towards the needs and capabilities and attaching sufficient importance to all 10 processes without over-emphasizing one (i.e. devoting too much resources to it) and without neglecting one (i.e. not suppressing information flows).

Table 5: Processes of a Functioning Organization

Feed-forward process	Feed-back processes
<i>Internal processes</i>	<i>Internal processes</i>
GUIDANCE through figurative intelligence	DOUBLE LOOP LEARNING: Internalized value adjustments
EXTERNALIZATION through operative intelligence	SINGLE LOOP LEARNING: strategic adjustment response
PATTERNS OF BEHAVIOUR	OPERATIONAL RESPONSE upon performance assessment
<i>External processes</i>	<i>External processes</i>
ACTION as a structural coupling between the organization and its task environment	MARKET FEEDBACK: performance information
LEGITIMIZING MANAGEMENT: Lobbying and public opinion management of meanings	CULTURAL PRESSURE: Institutional request

Cultural intelligence, according to Earley and Ang (2003, p. 3) is defined as the ability of an agency to successfully adapt to a change in cultural settings attributable to cultural contexts. In cybernetic terms, it can be taken as “the manifestation of the cognitive base as patterns of cultural knowledge” (Thamas & Inkson, 2009). This definition requires a plurality of cultural beliefs, attitudes and values, which are in interaction and create a plural figurative base that implicitly has some level of cultural conflict within it. Considering the variety of theoretically identifiable 27 distinct types of organizational culture, with different emphasis either on alternate poles of traits or rather on balanced attitudes that foster the auxiliary function of the traits, it sounds reasonable to assume that some cultural variety must be given within any organizational or political system.

The cultural belief system (values, attitudes and beliefs) is a coalescence of normative ideological and ethical standards of the culture and ultimately defines what constitutes legitimate modes and means of social behavior of an agency. Thus, in the light of perceived predominant cultural orientation of the environment (e.g. sensate vs. ideational and the related patterns of behavior), cultural intelligence provides orientation and guidance for intended behavior and action, and assesses the cultural consequences of responses from the environment to the actual action taken. In relation to its task environment, action of the agency is controlled and guided by, but also attracted to the predominant perception of its cultural environment. It may set action according to the perceived ‘normal standards’ (perceived cultural pressure), but may also aim at creating deviation options, which in the longer run may legitimize the behavior of the agency intended in its own interest (legitimacy management). Since culture is created through many petty acts, responses (feedbacks) by the social environment to petty acts as a reflection of deviations of different degree may set impulses for (incremental) cultural change within the environment. Such interaction processes are inherent to all social systems and at the roots of all cultural dynamics (Sorokin 1962, 1964).

A normative personality (an agency) can be said to function primarily through two forms of intelligence, figurative and operative (Piaget, 1950; Yolles, 2009a, 2009b). *Figurative intelligence* (a form of autogenesis: Schwarz, 1997) provides its core relational explanations of reality, and *operative intelligence* (a form of autopoiesis: Maturana & Varela, 1987; Schwarz, 1997) provides its capacity to evidence the figurative base of information. . To avoid the potential for confusion, it must also be noted here that our use of the term figurative intelligence has been extended beyond Piaget's original notion, making it an active rather than passive mechanism.

Figurative intelligence links the personality meta-system with operative intelligence. *Figurative intelligence* has epistemic and informational properties, which reflect available patterns of knowledge and the cognitive orientation. Based on the predominant paradigm of the normative personality, it provides information about states of reality, and involves all means of representation of that 'reality' and how it can be exploited in the interest of the agency. To perform its 'guidance function' it involves drawing and language, perception and projection, imitation and mental imagery (Montangero & Maurice-Naville, 1997; Piaget, 1950; Piaget & Inhelder 1969). It provides figurative imagery, structured relationships and patterns of information (models), which can be converted into a strategy. Through the models of the figurative base, figurative intelligence entails and considers operative adjustment imperatives. It evaluates the feedback from operations in the light of own strategic interests and of own values and identity. Figurative intelligence indicates whether cognitive orientation should remain the same or rather amended through double loop learning.

In normative personality the term *operative intelligence* refers to the capacity for attitudes and conceptual information (structures, rules) to be assembled in a coherent way to constitute personality operations and decision making. Attitudes with their emotional enhancements are formed through a set of beliefs or values that have been directed towards some object of attention and hence assume an operative function. Through patterns of behavior, action towards the operative environment is generated. In turn, operative intelligence regulates performance assessment and through that may identify impulses or imperatives for operative intelligence adjustment and adjustment of operational practices (single loop learning). Performance assessment can also give impulses for amendments in trait structures and processes, indicating that operative intelligence adjustments may require further figurative and cognitive adaptations, too. Assessment through figurative intelligence may indicate that amendments, which are considered useful from an operative perspective, may not necessarily be useful from a strategic perspective or may contradict the ruling ethical values. Then, with respect to a particular issue, adjustments through double loop learning may not be adequate.

Normative agencies with *poor figurative intelligence* do not maintain good representation in their figurative and cognitive bases. That, what poor figurative intelligence 'figured out' is inadequate. Those with *poor operative intelligence* cannot adequately manifest elements of their figurative base pragmatically, so that they have limited capacity to turn their strategies and models into operative practice (poor structures, rules, patterns of behavior, i.e. observable phenomena are dissatisfactory).

As we show in Figure 1, the coupling connections between personality and the social system are controlled by *social intelligence* which regulates and interacts with the environmental orientation trait. It is the network of operative processes that enables a personality to socially manifest its decisions deriving from its '*environmental orientation trait*' to be manifested socially as observable phenomena. Indeed, as far as other personalities in the social environment are concerned, the observable phenomena are created through normative self-organization and technical interest of the interacting agencies. The coupling between the operative system and the operative environment is controlled by social intelligence, which in turn is influenced and controlled by cultural intelligence.

7. Efficacy and emotions

In the introduction, we defined intelligence as the ability of an agency to appreciate and harness its own knowledge as information about its environment, to construct new knowledge converted from

information about its experiences, and to pursue its goals effectively and efficiently. We also stated that intelligences enable the consideration of the interests and influences of the external environment (stakeholders, institutions, counterparts in the task environment), an agency's own goals, and the goals of others, and facilitation of the development of ideas about the possible reactions of others in relation to the action taken by the agency. If intelligence is poor the efficacy of organizations may be impeded and negative emotions arise.

We may speak of '*intelligence limitation*', if the selection of information emphasized by managerial intelligence becomes uncoupled from the perceived organizational preferences and unrepresentative of the perceived intended perspectives. This lack of representation occurs when the personality may: (1) have its capacity reduced to conceptualize, schematize or apply information about future perspectives; (2) have the orientation of its traits perturbed; and (3) can be drawn towards unpreferred or unintended conduct that may even "corrupt" its proprietary strategic, ideological or ethical orientations.

We might argue that perceived efficacy is related to a comparison of goals and achievements. A normative agency is normally interested in a desired level of performance that is context specific. Performance is ultimately determined by the *efficacy* of the information flows within the system. Efficacy can affect an agency's feeling, thinking, motivation, behavior, and performance - including how it perseveres under adversity. Practically, it is the perceived efficacy that moderates the agency towards operative performance progression and hence achievement, and the adjustment imperatives that indicate the capability of this progression. The notion of efficacy assumes that every organization maintains some level of emotive impulse control, which might either dampen or enhance on the emotive impulses. Blocked or perturbed information processes (indicated by the bars $P_{i,j}$ in Figure 1) contribute to the formation of pathologies. They indicate the limited capacity of the agency to generate requisite responses to its perceived needs for achievement under environmental circumstances. Given combinations of these across the personality may well generate distinct personality dysfunctions.

Emotions are responses organized through emotional intelligence that cross at least physiological, cognitive, motivational, and experiential personality systems, and are typically associated with internal or external events and may be take on a positively or negatively tainted meaning (Salovey & Mayer, 1990). It also includes the ability to regulate and alter the affective reactions of others. For Sperring, Wagener and Funke (2005) there are **positive and negative effects of emotional intelligence** that can affect the traits (i.e., the strategic approaches) and solution quality of simple cognitive tasks in an agent's personality. Positive effects can result in flexible and creative thinking and the facilitation of efficient decision-making in more complex environments (Fiedler, 2001; Isen, Daubman, & Nowicki, 1987). If the gap between goals and achievements is indicative of efficacy, then a large negative gap (goals are not achieved) may first raise negative feelings and if despite all efforts the gap remains or even grows then it also raises negative emotions. The 'rational component' in efficacy is in the rational comparison of goals and achievements. The 'emotional component' has to do with available explanations, why this gap emerged. Here, the attribution of a cause of a failure is of importance. If failure can be attributed to adverse or unfair circumstances then negative emotions may impede future efforts and by that also performance. Efficacy will decline.

Even though collectives are composed of individuals, resulting in a supposition that normative and individual personalities operate in a similar way, there are distinctions between the individual and the collective (Yolles, 2009a, 2009b). The substantive difference is that while individuals may adhere *to* organizational norms, organizations operate *through* collective norms that develop from their coherent cultures. While the individual's temperament, emotional feelings and emotional arousal will undoubtedly impact on the functioning of the organization as a whole, normative emotional attributes (in the collective) will have a more profound influence on its overall functioning and coherence.

4. A case on hybridization attempts: about impact of managerial intelligence on organizations

Earlier in this paper we stated that an important function of managerial intelligence is to manage the bi-polarity of traits and to foster the organizational intelligences by attaching the appropriate weight to the one or other pole without neglecting the mutually auxiliary function of the alternate (information) processes. Another important function is to influence the relational systems in their organization by establishing and enacting norms for how organizational members should interact with each other, in a way that fosters positive emotions and keeps unproductive negative emotions under control.

Mergers and acquisitions are illustrative examples where two distinct managerial intelligences need to be “integrated” to achieve an expected level of performance. But, more often than not they are accompanied by unproductive negative emotions, often subsumed under “employee resistance” due to the lack of appropriate integration of organizational identities (e.g. Zaheer, Schomaker, & Genc, 2003). Therefore, M&A processes provide an interesting context to further explore the impact of managerial intelligences on organizational outcomes. This type of change process is frequently considered to cause negative emotions, in particular in “hostile takeovers” due ambiguous situations and a high degree of uncertainty (e.g. Dauber, 2011; Harris & Ruefli, 2000; Vaara, 2003). In the M&A context, Dauber (2011) systematically explored the notion of ‘hybridization’, which refers to the blending of organizational cultures, i.e. blending of cultural, figurative and operative systems into a new coherent system, namely a new agency with traits, which perhaps are distinct from the traits of both merging organizations.

For illustration, we refer to one of Dauber’s (2011) case studies, where the merger of two domestic organizations from the same industry was analyzed. One might be tempted to assume that organizations of the same industry and country might share similar cultural orientation traits. However, for this case this was not true. Due to a different business approach, different types of clients, company size and historic backgrounds, figurative and operative intelligences were considerably different from each other. This difference caused several disruptions during and after the change process. Up to today, both organizations have yet not fully been integrated since the differences in cultural and cognitive orientations prevailed and could be never fully overcome or conclusively harmonized. However a functional and non-pathologic state could be achieved which can be understood as a balance between these two former viable systems.

Table 6 provides an overview of the major differences that were reported by 19 interview partners from both organizations. Noteworthy differences were found on different levels. Not only did both companies pursue different strategies (figurative orientation), but also had different working styles, daily operations and organizational structures (operative orientation). Since these differences are to be considered as observable or partly observable manifestations of the underlying cultural orientations, it is possible to conclude that differences in cultural orientation traits exist/existed between the two organizations.

Table 6: Reported Differences in Figurative and Operative Orientations in the ABC – IDE Case
(Source: Dauber, 2012)

Normative personality	ABC International Austria	IDE LLC
<i>Figurative orientation trait</i>	Mastery Business-to-customer Technology A	More harmony Business-to-business Technology B
<i>Operative orientation trait</i>	Strong hierarchy Authority: Formal processes of communication with external and internal environment Fast Large company	More egalitarian, loyal and helpful Loose control Slow Small company
<i>Social orientation trait</i>	Dramatising High degree of standardization with respect to customers	Patterner Customer friendly

ABC International Austria had acquired IDE LLC, because it wanted to get into the core Business-to-Business segment of IDE LLC Business-to-Business has not been a focus of ABC International Austria therefore never formed part of their figurative or operative system. However, similar to many other acquisitions, managers of ABC International Austria instantly attempted to impose their figurative orientation and opted for changing the operative systems of the purchased company: They imposed a hierarchical structure with a rigid reporting system, which was in conflict with the operative traits of the acquired firm: Loose control and flat hierarchies.

Through the introduction of new operative rules, a friction between the predominant figurative system of the acquired firm and the newly imposed operative system emerged, caused confusion, negative emotions and lack of understanding among employees of the target company. The change did not make sense for them. The incompatibility of the figurative and the operative system was shocking. It was incomprehensible for organizational members of the target company that business customers should be treated the same way as non-business customers. The Social orientation traits were almost opposite to each other. The acquired organization perceived each single business client as very important and essential, while the larger organization had so many customers that the loss of a single client was of no concern. This difference in organizational philosophies and cognitive meta-systems was hardly considered in the so-called “integration process”. Major emphasis was put on what seemed to be necessary and easily implemented: changes in the operative system by management decree. The lack of understanding of the cognitive meta-system in the acquired organization resulted in a low level of efficacy and negative emotions, which became manifest in communication breakdowns and resistance to change. Employees of the target company perceived these changes as negative shift in operative orientations which were not compatible with their prior figurative and social orientations. The differences and the hybrid state of figurative and operative systems would have required emotional and social intelligence of managers of the acquiring organization to ensure that staff can make sense of why changes in the figurative and operative systems are needed.

Communicative skills are commonly associated with emotional and social intelligence (Dauber, 2011). The quick change in operations triggered the threat of emerging pathologies. Only because parts of the old figurative and operative systems had remained in place, the company managed to cushion the potentially exploding costs and emerging losses after realizing that a “full assimilation to ABC practices” cannot be achieved. It was essential to retain the knowledge of the business-to-business segment of the target company. Thus, ABC management noticed that continuing their ‘*more of the same*’ strategy would have ended in disorganization and *decay* of the acquired firm. Thus, in a state of crisis, they decided to switch their attitudes and to give leeway to the acquired firm for hybridization.

Since in the case of ABC taking over IDE the social orientation traits were almost the opposite between the ABC manager’s perceptions and the IDE staff perceptions, the lack of the manager’s understanding of the cognitive meta-system in the acquired organization resulted in negative emotions in the acquired firm and a low level of efficacy, which became manifest in communication breakdowns and resistance to change. Finally, a window of opportunity was opened when the managers of the acquiring firm decided to give up their ‘*more of the same*’ assimilation attempt and to opt for *hybridization* of the existing different organizational cultures. That can be perceived as an indication of managerial intelligence.

8. Conclusion and Discussion

For this paper we built on a *human agency model* for systems (social wholes, i.e. teams, organizations, and societies) that have “the cognitive capacities of intention, forethought and the ability to react and to reflect, and from these capacities comes the agentic perspective through which adaptation and change in human development occurs. To be an agent is to influence intentionally one's functioning and life circumstances, and personal influence is part of the causal structure. Agential systems are seen to be self-organizing, proactive, self-regulating, and self-reflecting, and they are participative in creating their own behavior and contributors to their life circumstances” (Yolles, Fink & Dauber,

2011: 637).

Human agency models unite different theoretical frameworks. Thus, for similar processes we find different terms in different theories. The cybernetic term ‘autogenesis’ finds its reflection in ‘figurative intelligence’ in personality theory, or ‘cultural guidance’ vs. ‘double loop learning’ in organizational culture configuration models. The cybernetic term ‘autopoiesis’ finds its reflection in ‘operative intelligence’ in personality theory, or in the counterpoise of ‘patterns of behavior’ vs. ‘operational response’ in organizational culture configuration models.

The dynamics of agency systems is created through the bi-polar traits, which are indicative of different value perceptions, which play the central role for assignment of cognitive resources to decision problems of the agency. While at first glance, the bi-polar states of traits could be considered as ‘inconsistent’ states, human agency theory emphasizes the auxiliary, mutually supportive role of the dual poles, also called ‘enantiomers’. Thus, the intelligences of an agency – and managerial intelligence, in particular – are central to the performance capabilities of an organization.

With respect to empirical research, so far a small number of case studies were undertaken, one of which we present in this paper. Consistent quantitative approaches were not yet undertaken.

Further extensions of the model are envisaged, e.g. one could relate the eight Sagiv-Schwartz Mindset Types to political systems. In such a context the eight types should be representative of major political streams of thought, and perhaps also of the main ideologies of political parties. If that is true, then it also should be possible to relate political programs and economic policy preferences to Sagiv-Schwartz Mindset Types. The eight Sagiv-Schwartz Mindset Types, are extreme positions. Political intelligence may generate intermediate positions, which emphasize social coherence and effectiveness of a social whole.

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