LOCAL ONTOLOGIES AND EPISTEMOLOGIES OF LEADERSHIP IN THE ROSEBANK BUSINESS PRECINCT OF AUCKLAND, NEW ZEALAND

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Abstract
The Rosebank Business Precinct is one of Auckland’s most highly developed Business Improvement Districts. This descriptive study, undertaken for Auckland City Council, examines the gaps between what Rosebank businesses actually want and what the workforce presently provides. A further aim was to investigate the potential for employee training, education and development in Rosebank. We conducted face-to-face interviews with about one-fifth of Rosebank companies using a 36-question questionnaire and employing random stratified cluster sampling. Fifteen of these firms also had in-depth interviews. From the present analysis, it is apparent that many firms lack leadership, leadership styles, managerial, computing and technology skills, which in turn leads to lower survival rates. Local authorities have a role to play in ontologies and epistemologies of leadership in the local organisations surveyed in Rosebank. Many owner/managers, regarded as leaders, held unsupportive attitudes toward training and education. The paper makes recommendations in the fields of labour force training, education and development; recruitment; and where leaders can recruit the right people.

Keywords: Development, Knowledge, Leadership, Leadership Styles, Training

1. Introduction
New Zealand is moving into a niche-based, knowledge and value-adding economy. Leaders with the right leadership style and skills are required to lead the workforce of Auckland’s most highly development business improvement district, the Rosebank Business Precinct, into the challenges of the 21st century. Where and how do the Rosebank leaders get the right people from? Leaders are required to ensure that the right people are recruited and employed. The ultimate goal of this research report is to identify these leaders, leadership styles and recruiting of people with the right knowledge, skills and attributes (KSAs) to grow existing ventures.

Who could be regarded as a leader? A leader as defined by Daft and Pirola-Merlo (2009) is somebody leading others through the process of arousing enthusiasm and directing efforts toward organisational goals. Leadership style on the other hand is the recurring pattern of behaviours exhibited by a leader.

This is the era of ‘super leaders’ who, through vision and strength of personality, could have an inspirational impact on others. These leaders could use a variety of leadership styles such as a charismatic leader who develops a special leader-follower relationship and inspire others. Another inspirational leadership style is known as the transformational style that gets people to
do more in achieving high performance. The third kind is the transactional leadership style where the efforts of people are directed through tasks, rewards and structures (Daft et al, 2009). Technology is an invaluable tool for leaders and Human Resource Management (HRM) processes to execute its tasks in an organisation (Du Plessis, 2009; Härtel, Fujimoto, Strybosch, and Fitzpatrick, 2010). It is also useful in the recruiting process; it is effective, quick and in vogue in all countries by more and more recruiters. E-recruitment is growing exceptionally fast. Organisations and employment agencies can display their vacancies; work-seekers can enter their CV’s on the World Wide Web at a relatively inexpensive price. Advantages and disadvantages will be discussed later in this article.

Locally as well as nationally, professionals, technicians and associate professionals, trade workers, plant and machine operators and assemblers are in severe shortage (Statistics New Zealand, 2008). Leaders, who can identify their labour needs, who can recruit the right employees and thus solve the problems around it, are required in organisations. E-recruitment seems to solve the main recruiting problem because the best people with the necessary KSAs could be recruited globally. This study was financed by Auckland City Council. It focuses on Auckland’s Rosebank Business Precinct. The surrounding communities, particularly Māori, Pacific peoples and recent migrants, experience disparities in employment. Our research questions were:

- Is there a skills match between the present-day workforce and actual business needs over the medium term?
- What can these data tell us about Rosebank’s trajectory as a skilled business cluster and about its future workforce requirements?
- From where and what methods are used to recruit the right people (with the right KSAs) to fill vacancies? (This question will be answered in this article; the above two questions are dealt with in other articles).

2. Literature Review and Background

2.1 Training and Education

Training is one of the best ways to confront the export of talent from New Zealand and the “brain drain” to Australia and elsewhere, according to Coddington (2010). Leaders need to know that the better training that the employees receive, the better their performance, the higher their degree of loyalty, the lower the labour turnover, and the greater the savings and profits for businesses. OECD research has shown that programmes targeting human capital are cost-effective because they build on local resources, provide “value-add” for tax dollars spent, and enrich the local skills base. A good example is Japan. Most Japanese leaders in manufacturing companies enjoy worldwide competitiveness precisely because their tertiary education and training systems were matched to the needs of employers (Blakely 1991; Jones & Vedlitz 1988; Nothdurft 1991; O’Toole & Simmons 1989; Reich 1982; Thurow 1980; Wolanan et al. 1991; Wolman and M. Goldsmith 1992).

2.2 Human Resource’s Role

Human Resource Management (HRM) is responsible to see that no skill shortages occur in their organisations. It does occur though when the Human Resource (HR) department is unable to fill
vacancies because of an insufficient number of job seekers with required skills (Du Plessis, Hobbs, Marshall, Paalvast, 2008). There is a mismatch between what employers need and what workers actually can provide. Training and education are essential tools for industry leaders, employers and policy makers. Training systems, according to Ishaya (2006) need to be in place so that the labour force can work effectively and efficiently. Härtel et al (2010) regard labour force development as one of the most strategic policies in the HRM arsenal.

A decade ago Thussu (2000) and later Ahlawat & Ahlawat (2006) highlight the need for increased focus on employment practices in the new business environment. Langbert (2005) and Sincoff & Owen (2004) point out the need for expanded curricula in the tertiary sectors to ensure that relevant fields of KSAs are covered. Cressy’s (1996, 1999) finds evidence for the primacy of human capital in business longevity: workers with higher levels of human capital earn higher wages. Skilled workers have more assets to invest in their own business formation. Both government and the private sector have a role to play in addressing skill shortages. Government must find ways to incentivise the education and training sector to combat skills shortages. To be able to do the abovementioned, it is necessary to have proactive leaders with the right leadership styles in organisations. It is therefore important to differentiate between the “two concepts, leaders and leadership styles” on the one hand but also to point out that they are not stand-alones but interacting. Leadership style as a key component of this paper is analysed from the interactive leadership style approach which is derived from the neo-classic human relations motivation school, underpinned by symbolic interactionism.

2.3 Some Models and Leadership Styles
The leadership competency model of Mintzberg (2004) comparable with the interactive leadership theory of McClelland of more than three decades ago (1975) supported more recently by Burnham (2003) is relied upon in answering the question put above of what kind of leadership is required in organisations in order to create a workforce with the right people, with the right KSAs. Mintzberg (2004) does not differentiate between leaders and management and in his opinion the terms could be used interchangeably because leaders have to manage and managers have to lead.

Leadership style is regarded as a pattern of behaviours designed to integrate organisational and employee interests in pursuit of the objective. All managers develop a style of leading or motivating their subordinates according to Gildenhuyse (2008) and Daft et al (2009). Gildenhuyse further supports what was mentioned above that the symbolic interactionism as a social-psychological perspective focuses on individuals with a self (the “I” and the “me” responding to a social situation that is within the experience of the individual) and on the interaction between a person’s (leader’s) internal thoughts and emotions and the consequent social behaviour. Leaders and their leadership styles are therefore not “stand-alones”, although it could be unique to individuals. Individuals interact in terms of shared meanings that they attribute to each other’s actions and the situations in which such interactions take place. This is the basis for understanding leadership experience in the world of work. Organisations could use training, education and development needs analysis of their management team to determine the kind of leadership style organisations have to adopt to establish a positive experience of diversity management and to continue to be successful in leading their organisations to better performance. A continuous adjustment to emerging changes is required of organisational leaders to manage the more diverse workforce in the Rosebank Precinct.
2.4 Ontology and Epistemology

Ontology, the study of existence, is the most general branch of metaphysics concerned with the nature of being; epistemology, the theory of knowledge, is the branch of philosophy that studies the nature of knowledge in particular foundations, scope and validity. These studies are therefore two very important “pillars” for leaders, especially the Rosebank leaders, to build their leadership style on. Ontology includes studies concerned with time and space, existence and causality which impacts on leadership styles e.g. the leader makes an authority decision and then communicates it to the employees instead of making a consultative decision where the leader receives information, advice or opinions from the employees before making a decision. Managers tend to classify and generalise people into groups on their direct and indirect experience. The complexity of individual identity and individual interaction has implications for the manner in which the manager will manage and the leader will lead.

Van Zyl, du Plessis, Lues and Pietersen (2009) and also Gildenhuys (2008) are of the opinion that leaders who develop their workforce through training and development are more likely to increase motivation, commitment and self-confidence than are leaders not concerned with the development of their workforce. Performance does not only depend on ability, but on the conversation (self-interaction) individuals have with themselves about their ability (self-confidence) and the conversations leaders (managers) have with themselves about others. Leaders play a pivotal role in establishing the character and nature of the organisation experienced by their employees. The leaders of an organisation are tasked with differentiating their organisations, through greater efficiencies in performance, in a changing environment in which nationality, gender, race ethnicity, sexual orientation and a few others are key elements of their diverse workforce, as was found in the Rosebank study.

2.5 Ontology and epistemology for Rosebank Precinct in the 21st Century

Du Plessis and Frederick (2008), Daft et al (2009) and also Gildenhuys (2008) refer to the importance of understanding leadership styles. For the local leaders in the Rosebank Precinct it is also a component in managing their diverse workforce. The symbolic interaction views interdependence between the past, present and future as examining the historical development of management as a science understanding the ontology and epistemology of leadership styles in the 21st century. The historical development of management and the evolving role of leadership styles demand cognisance of leadership and management as ontology and epistemology in the 21st century. It involves breaking down old structures and establishing new ones with sharing of new realities, actions and practices securing the unequivocal support of the stakeholders of the organisation (Du Plessis, Hobbs, Marshall, Paalvast, 2008).

2.6 Leaders and their vision for training, education and development of staff

One of the most prominent characteristics of a leader is the desire to develop a clearly articulated and appealing vision for the organisation. To adopt or develop a new sense of direction (vision) that others will find compelling and exciting. Quality leaders are sometimes “measured” by their vision. Vision is a commodity of leaders, someone who channels the collective energies of employees in the organisation in pursuit of a common vision and who has a clear vision of the future state of the organisation (Northouse, 2001). Once this is clearly identified and defined by the leader, training, development and education, among others, can be scheduled for their staff members. Training could include a programme to
help employees fit in the direction of the organisation and to create a new coalition of employees who would be compatible with the new vision. Leaders could further do a number of things to sharpen their employees’ skills and increase their body of knowledge through training and education.

Knowing their strengths and weaknesses, values and norms leaders could use it as a window of opportunity for learning and development of their employees. In order to facilitate learning by members of the organisation, leaders could encourage subordinate managers to set longer time horizons in developing their employees’ careers and also aim the training and education towards developing their planning skills, awareness of trends and changes, new technology and so forth, to improve the organisation’s performance. Leaders must be committed to learning and relearning including consistent emphasis on education in the organisation to create the feelings of confidence and trust in them, according to Northouse (2001).

3. Methodology
The target population was the 500-600 businesses operating on Rosebank Road, Auckland, New Zealand. These are the physical locations listed on: (1) the Roll of Rate Paying Businesses of Rosebank Business Association; (2) apnfinda intelligence data on businesses located on Rosebank Road; (3) Membership Directory of the Rosebank Business Association; and (4) Information collected by researchers in the field. When we combined and de-duplicated the data, we arrived at 529 businesses in the Rosebank population of firms. We conducted face-to-face interviews with 102 companies within that population. We used a 36-question questionnaire and employed random stratified cluster sampling. We divided the population into “Industry” and “Firm Size” groupings to establish desired representative proportions based on Statistics New Zealand (2006).

We selected a random sample from the members of each grouping. The grouping was treated as the sampling unit and analysis was done on a population of groupings. If after polling we did not reach the required level of representation in a particular grouping, then we went back to that grouping for more respondents. The sampling frame was owner-managers (and sometimes senior, non-shareholding managers) of firms within the Rosebank Business Precinct. This analysis is of firms, not individuals. About a quarter of the respondents voluntarily agreed to be identified.

4. Results
4.1 Overview
A total of 47% of the sample agreed to tell us their annual revenue or turnover. The sampled companies comprised 33% manufacturing firms. Wholesaling and retailing taken together accounted for 36% of the responding firms. More than two thirds (78%) of the presidents had less than twenty employees. Rosebank managers/leaders are predicting a steady rate of employment. The biggest decline in employment over the medium term is in sales and service (-34%). Unskilled workers were next with -24.9% followed closely by clerical staff with -23.6%. The need for tradesmen (applied technologies and trades) is expected to increase sharply by +80.4%, followed by a gain for technicians at +23.1% and professionals 12.84%.

4.2 Vacancies
Skill shortages occur when firms are unable to fill vacancies because of an insufficient number of job seekers with required skills and so differ from recruitment difficulties and skills gaps. We looked at anticipated vacancies, ease or difficulty of recruiting, the channel used for recruitment,
and differences by job category. Of the respondent firms that had vacancies, 68.75% had vacancies for up to 3 months and 31.24% vacancies for up to 6 months. The highest level of anticipated vacancy was for tradesmen, with 25.1% of businesses reporting the need for more qualified tradesmen. This is followed by the need for sales and service staff at 21.8%. The need for technicians was 12.5%, followed by unskilled at 9.9%.

4.3 Recruitment methods
Our research shows that the most frequently used recruitment method overall was word of mouth, but its “power score” was mid-rank. It was successful only for the lower job categories. Recruitment agencies were the most powerful by this measure. They were used for every type of employee but were most successful for tradesmen and machine operators, less so for management. Table 1 below summarises it.

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<th>Table 1: Use and success rates of recruiting channels</th>
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<td>Percent of firms who used this channel</td>
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<td>Word of Mouth</td>
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<td>Recruitment Agencies</td>
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<td>Web/Online</td>
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<td>Media channels</td>
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<td>WINZ</td>
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<td>Trade fair</td>
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Web/online was just behind recruitment agencies (see Figure 1 below). Media channels had mid-rank score, were used frequently but were not at all successful for unskilled workers and machine operators. Work and Income New Zealand was excellent for unskilled workers and helpful for technicians but not at all useful for the other categories.

Figure 1: How successful was Web/online for different job categories?

When asked to describe the top education and training needs that they had over the next three years, respondents could choose more than one category and most respondents chose several
categories (see Figure 2 below). The top needs of Rosebank businesses were: Management/strategy/operations/sales & marketing; Applied technology and trades; Computing & information technology; followed by Accounting, finance and law. A relatively new training need deserves special mention: “Developing a Green Business”. Twenty-two percent of respondents mentioned this as a need over the next 3 years. From our research it can be deduced that word of mouth, recruitment agencies and e-recruitment (Web/online) were the most used forms of recruiting.

Figure 2: Where are Rosebank Precinct’s training needs over the next 3 years?

4.4 Training Costs
We explored the leading concerns of our sample firms. Employee retention was the most important of all issues, with 81% saying that this issue was either most important or important. Sixty-nine percent said that having the available skills was either most important or important. Thirty-nine percent of respondents were concerned about training costs. More than half of respondents (58%) said that staff recruitment was the main concern over the next 3 years. Fifty-two percent of respondents mentioned availability of training. Training can help organisational survival, improve employee performance, raise bottom lines, and be rewarding to people for having more skill and KSAs. Nearly half (46.9%) said that they could not afford any money for training.

4.5 Importance of training
Only 41% of the respondents said they already undertook training whilst 57% had nothing. Of those who already have training were asked to describe that training. This ranged from simple Occupational Health and Safety (OHS) training to more in-depth and expensive professional training for leaders. Respondents included project management, time management, sales, IT training, electrical trade, food and hygiene, fire safety, first aid, warehousing, logistics, security, inventory management, competitor intelligence, trade certification, business coaching, and traffic management in their management training. When our respondents were asked why they had no
training, 46% said it was because they did all of their own training on the job. The greatest source of training was shop floor training at 71%.

4.6 Training needs
We sent researcher teams back to interview 15 companies who had agreed to be identified and have a second-round in-depth interview. The purpose was to gain deeper insight into their leaders’ attitude and willingness towards training, education and development of their workforce. The following was found:

- There are many who expressed unsupportive attitudes toward training and education. Many Rosebank leaders/owners/managers are self-made school drop-out entrepreneurs and they may have a suspicion of education and training.
- There is increasing recognition that the “headhunting” of trained staff is affecting everyone’s business.
- A deeper analysis of reasons for no training throws suspicion on cultural aspects such as motivation, education and expectations from a working life.
- There is an awareness of the need for a specialised labour force.
- There is a lot of awareness of the globalisation of the economy and how New Zealand business should respond, particularly to China and the recent Free Trade Agreement signed between New Zealand and China.
- There is a lot of grumbling about compliance costs (e.g. the labour cost and other expenses incurred in complying with national tax laws and other rules).

7. ROSEBANK AND EDUCATIONAL INSTITUTIONS LEADER’S ROLES
At the end of this endeavour, taking into account all the data collected and the analysis carried out, we allow ourselves to make some statement about the principal policy levers that Auckland City Council might employ to affect training and education in Rosebank.

- Nearby academic and training institutions are not communicating well enough with Rosebank. They need to be informed of Council’s strategic considerations as it relates to training and education as to a knowledge-based, innovation-centred Rosebank.
- It may be appropriate to consider property incentives for limited co-location of businesses with universities and polytechnics by bringing together prime prospects and stakeholders and by providing land and infrastructure requirements.
- Take a “Top Three” approach to training: Computing/IT; Management & Accounting; and Applied Technologies. These are the top training needs identified on Rosebank Road today and for the near future.
- Council can encourage networking between leaders in educational institutions and leaders in Rosebank businesses to better understand business needs, provide training, and revamp curricula to fit needs.
Through role models and leadership, Council should undertake a campaign (contest?) to address prejudices, perceptions and awareness to make training attractive to New Zealanders.

Young entrepreneurs from the surrounding communities should be supported through clubs and micro-funding. This will prepare an enterprising generation to move into Rosebank in its time.

8. SOME ADVANTAGES OF E-RECRUITMENT

- The speed with which all activities takes place.
- Applicants can register for seasonal work and whenever an opportunity arises they can be offered a position.
- Employers can easily search for the person best suited for a particular job.
- Helps hospitals to do web interviewing which again helps to screen out candidates who would be a waste of money and time if they go forward to the next level of the interviewing process.
- Consistent information is obtained from all candidates as the same questions are asked to each candidate.
- Pre-screening software help recruiters to design individual online questionnaires for specific job requirements.

9. SOME DISADVANTAGES OF E-RECRUITMENT

- The main problem is the query key; most of the users search through hundreds and thousands of jobs for a particular query and that overloads the system.
- Whether everything is done according to the relevant legislation such as to comply with their Privacy Act.
- It is not quite so useful for the jobs in the local market. There is little point advertising a job on the Internet when the applicant needed should be from the local area.
- Everyone does not have access to Internet; it might not reach all potential candidates.
- E-recruiting releases plans to their opposition.

10. RESEARCH QUESTION ANSWER

The advent of e-recruitment has meant that the management of such a system changes. Traditionally management was focused on ensuring advertisements were ready for print to meet media deadlines. Part of this was the preparation for phone contact, and postal responses. If electronic scanning was used this was hand fed into a scanner for comparison. In its effort to shift to e-recruitment, The New Zealand Government is investing heavily in the e-recruitment market. To answer our research question for this article: From where and what methods are used to recruit the right people (with the right KSAs) to fill vacancies? We can refer leaders to Table 2 below:
Our research shows that the most frequently used recruitment method overall was word of mouth, but its power score of 6 was mid-rank. It was successful only for the lower job categories. Recruitment agencies were the most powerful by this measure with a score of 11. They were used for every type of employee but were most successful for tradesmen and machine operators, less so for management. Web/online was just behind recruitment agencies with a power score of 10. Media channels had mid-rank score of 6, were used frequently but were not at all successful for unskilled workers and machine operators. Work and Income New Zealand was excellent for unskilled workers and helpful for technicians but not at all useful for the other categories.

Turning it around and looking at the job categories, for tradesmen, media channels were used the most successfully. Professionals were best recruited by Web/online and recruitment agencies. Tradesmen were best recruited through recruitment agencies and word of mouth; managers by web/online and recruitment agencies; technicians through recruitment agencies and WINZ; sales & service by web/online; machine operators by recruitment agencies, unskilled workers through WINZ; and clerical staff by web/online.

11. Conclusion
It is apparent that many firms in the Rosebank Business Precinct lack basic managerial, computing and technology skills. Training can help enterprise survival, improve employee performance, raise bottom lines, and be rewarding to people for having more skill. Pro-active leaders with the right leadership styles and vision are on the shortage list of most companies. Leadership is about originality, innovation, change and adaptation in new and original ways. Furthermore about seeking and defining opportunity and persuading people to change in non-coercive ways. Finally it’s about values and morals and transforming people and processes to productive effect. It also indicated that training should be targeted at leaders and management as well and advice should be given as to where and how to recruit the people with the right KSAs. At Rosebank, training challenges are primarily: leadership skills; computing infrastructure; business management; human resource development; market research; technologies and trade; and compliance with government regulations.
Local ontologies and epistemologies are two important “pillars” for leaders to build their leadership styles on. Leadership moves beyond the accepted body of knowledge of how to manage a process. Leadership may manifest itself through an idea either so compelling that it forces the formal structure to change permanently or until the idea has been pursued to its conclusion. Effective leadership is of necessity linked with positional authority in the current paradigm, and the application of leadership is temporary and specific to adaptation and change.
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