

THE COLOR SHADES OF LEADERS IN THE COUNTRIES OF ECONOMIC TRANSFORMATION: THE CASE OF POLAND

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Purpose: The aim of the paper is to identify the process of shaping leaders in a transformed Eastern European Countries (EEC) like Poland based on the case study in the IT sector.

Design/methodology/approach: A research analysis of the world literature on the subject indicates that these issues have yet to be studied from a long-term perspective. In light of the economic system, the author describes the difference and core attributes for emerging leaders. The author uses the case study of the two IT leading companies and their leaders from roots up to final mergers and acquisitions of each other.

Findings: The case study shows that in a long-term perspective the key role is played by the founders based on grounded education, experience, embodied entrepreneurship attitudes, ethics, openness for innovations, independence of unclear relations, and mission are crucial to developing with success the company.

Research limitations/implications: The research covers only case studies so that it could be extrapolated to prominent players in specific sectors for companies with the activity of more than ten or even 20 years on the market.

Practical implications: The research could be used for training or teaching courses related to MBA, postgraduates, or management program study. Based on the review, the other companies can measure the risk with new potential countries in their early stage of new free markets. The leadership model could be duplicated so that market analysts and decision-makers could conduct an in-depth study about the leaders in certain countries. The in-depth collaborations should have a long-term perspective with a clear and correct leader and/or founder. The students should consider working in companies with solid leadership ethics to build their prospectus careers.

Social implications: The public organization and authorities should cooperate and take a donation from ethical companies and leaders. Hiding support from ethical leaders/founders could be taken without obligations. Donations do not mean even PR.

Originality/value: This review emphasizes that becoming a leader means possessing skills that should be shaped during education and even socialization. Leaders could cover their unethical behavior or incompetence to become a manager, but it would provide a huge, postponed on time disaster for the company. The paper is addressed to all potential and present leaders, including students, during their study.

Keywords: company survival factors, education, leadership, mergers&acquisitions.

Category of the paper: Case study, General review.

1. Introduction

Setting the goal of presenting a portrait of a professional leader in the author's association invoked a painter's color palette. Using various paints, brushes, and canvas, his vision of the picture creates a work of art. Will it be considered outstanding in the artist's life, or will it turn out during daily life after his death? Outstanding could be a few, depending on what art we are discussing. A painter needs, first of all, talent than a good workplace, and tools are the last thing that is necessary but easy to possess. Each country, regardless of the social and economic system, has its leaders, starting with private or state enterprises, public organizations: hospitals, schools, universities, non-profit organizations: foundations and associations, but also party or religious organizations (Örtenblad, 2018). The number and type of leaders themselves create a color palette. Changing the economic system causes additional coloration of this color scheme described palette. The painter will therefore be the manager, and the image will take the effect of the organization's activity here, depending on its purpose, which the product, service, financial results, customer satisfaction, etc., will realize. A comparison of each artist with a particular classification would be correct. However, according to business by analogy, comparing managers in a given group will be more appropriate when there are some standard features. The author would not take into account a commonly cited general theories such as Great Men Theory, Trait Theory, Behavioral Theory, Contingency Theory and Leadership as a process (Samul, 2020).

Since the political transformation in Poland have been published about 300 monographs, devoted to the leader or manager, with the words in the title: leader, manager, manager (NUKAT, 2022). After a few years, along with the increasing openness of Poland and cooperation not only in economics but also in education or science, publications from the trend of postmodern management appeared, which indirectly referred to managers and leaders of organizations through organizational culture (Kostera, 1996). There is no in-depth analysis of Polish leaders in the period of 20 or even 30 years, creating enterprises from scratch. However the paper fills a niche because it presents a case study of two IT companies that started their operations at the beginning of the free market economy in Poland. It is essential to set research goals, which are as follows:

1. How did the socio-economic changes affect the development of leadership characteristics in Poland?
2. What were the conditions of operation of the leaders in Poland against the background of mature markets in the world?
3. What characteristics of a leader allowed the company to successfully develop in the long term?

The author used literature studies and the case study method as a method. Literature studies included mainly authors from Poland, who also had experience in conducting research and working at foreign universities in Western Europe, the USA and other developed countries. The case study is a fairly common, structured research method that has numerous advantages and disadvantages (Yin, 2015).

The author draws the landscape of the socio-economics system in Poland with input to education policy. The labour market was very weak without new methods of production and operating at the markets as well as without innovative products in each sector with few exceptions, e.g. Vigo System. Based on literature review, there was a list of attitudes of leaders. The final research part shows the case study of two leaders and their company for over three decades, where one of them was acquired by a smaller company in terms of number of workers and revenue, but with higher organizational culture and effective leadership of the founder.

2. Socio-economics system in the post-Soviet countries and its influence on the managerialism in first decades of transformation

In this section, the author presents the main features of the functioning of the post-socialist economy in the context of the influence on the currently operating way of managing organizations by leaders. One of the most commonly quoted economic indicators is GDP (Google search 494 mln records), we read and hear in the media that it has increased or dropped by as much as percent, in a given country, with specific comments. On the other hand, a very few people know this methodology, even in the economists' world, the explanation of the individual components is not without errors (Stiglitz, Sen, Fitoussi, 2013). As a rule, countries with high GDP are rich, so private and public organizations operate efficiently and effectively, because they are properly managed. Being properly managed is almost synonymous with a good education system, obviously not just managers or leaders. In these few sentences we set up the general rules, without in depth cultural, environmental and political analysis. Continuing the issue of GDP, it is worth noting that many studies current purchasing power parities are included, but in the previous regime in Poland and the Eastern Bloc countries, it did not include services and public sector activities such as education, administration, and health. Each comparison immediately pointed to lower GDP per head in the Eastern Bloc countries compared to Western Europe, the United States, Japan, Canada and Australia. Does that mean, however, that every job will have the same meaning in the country's GDP? Often productivity is independent of technology and results from the ability and diligence of a worker as well as his physical condition. Examples of such professions are: artist, driver, cleaner, porter, cashier, factory worker, horticulture worker, etc. Employees for the same work experience receive extremely different salaries, which indirectly affects the differences in GDP. GDP is such

an indirect brand of the country, influencing also the perception of the company and then the managers.

However, returning to the painter's artist, and thus entering the art, one can immediately ask whether this management is art? How much does a painter's talent have with his education as well as for the manager's education with his management style in given economic circumstances and a particular company?

In every economic system there are good artists (painters), as do the managers/leaders. The past affects the actions taken in the future, the behavior and habits of people more difficult to change over time with their age. The shaping academic staff in PRL still taught in the way of new managers after 1989, in a way that is not completely coherent, persuasive, often with the acquired new knowledge based on textbooks without market practice and without strong contact with academics from developed countries. Few cases of these employees who knew very well the foreign languages of Western Europe and read articles and conducted joint research with scientists from Western Europe or other developed countries (eg A. Koźmiński, W. Kieżun, P. Ploszajski, K. Oblój, E. Kwiatkowski). A large number of academics used to speak western languages passively because Russian languages was dominant. In addition, there was a lack of appropriate teaching methods and teaching aids. Case study in management student education was not on the agenda, too few joint projects and little discussions were held on the effects of dissolved projects so students received feedback. Corporate realities and the entire crew are the second most important factor managers have encountered. By 1989, very strong trade unions existed in Poland, not only in the public administration but also in state enterprises or public organizations such as schools, hospitals, universities, etc. with the legalization of Solidarity trade union movement, there were often different trade unions, more or less associated with loyal party committees (Staniszki, 1991). The widespread lack of properly trained personnel, systems and numerous technical deficiencies have not provided the basis for a professional development of a large-scale human resource training system (Koźmiński, 2008c). Professors in the 90s were able to promote up to 100 graduates, work at several different universities. The system of assessing the quality of the didactic by students practically did not work.

However, returning to the socio-economic situation of Poland before 1989, the number of large enterprises and businesses has been increasing steadily since 1990, with the simultaneous decline of large business entities. The total number of companies in Poland at the end of 2021 reached 2,26 mln, where big and medium-sized companies have a share of 0,8% (PARP, 2022). Only a few companies have traded with foreign companies from the West Bloc. So, in a model based on central planning, a critical mass of leaders could be developed, which would be well advised in new socio-economic conditions. In this period, there was a distortion of the economy through centrally planning, evolving, regulating, etc. The current organizational structures are becoming more flat, distributed work models, or organizations acting as networks.

An essential forge of leaders was the conspiracy, hence the term leader, the conspiracy manager. Many people of that period left the managers of large private entities, such as Jan Krzysztof Bielecki - President of PEKAO, Mateusz Morawiecki - President of BZWBK, and Prime Minister of the Polish government now.

Has the leader received managerial leadership through independent and proactive actions, or he has been asked by a team and can be brought in "wheelbarrow" through party or union activism, as is sometimes the case in state-owned companies that are undergoing ownership changes in Poland? Changing the system, changes in state-owned companies continues to the present times.

The quiet and open knowledge of the manager is an indispensable element, and therefore reduces the risk of the entity's functioning on the market. Because of the research, where even 70% of the energy leaders spend on conversations and relationships with employees, it places great demands on society and empathy for the leader. A professional leader in a family business, in a company that he created himself and in a promotion situation.

3. Theoretical foundations for the professionalism of a leader

Prof. Andrzej Koźmiński, the President of Kozminski Academy, who has been researching leadership in the field of management science for many years, points out that at the beginning of the twentieth century the Library of Congress (the largest book in the world) was not one of the leaders in leadership. Today there are hundreds of them, and every year there are many more studies, including scholarly ones, although there are all kinds of guides at the top of the list of publications. *If anyone wants to learn leadership from them, he will treat them too instrumentally. And leadership plays an important role in the metaphysical element*, says prof. A. Koźminski. According to him, the leader is someone who combines the characteristics of the manager, the artist and the priest (Johatch et al., 2006). Discussion about leadership is broad not only among academics, Vaclav Havel said: "The power of an authentic leader lies not in external circumstances, but in the human heart", so it means to make a free our heart, then the world (Harkins, Swift, 2010). The great leadership theorist Warren Bennis, see more coherent perspective: "The process of becoming a leader is very similar to the process of becoming an integrated human being" (Harkins, Swift, 2010).

The explanation of the terminology of a professional leader is well presented in L. Evans (Evans, 2008). Based on this systematic concept and characteristics, criticism, it is easy to agree with the author. A professional leader/manager is an ambitious concept for any business system. The leader's assessment perspective should take place over a long period of time, then such a leader can act as a mentor at a certain time. The pathologies of the post-Soviet economy have been written before, but the analysis of the spectacular fall of companies from the turn of the

century and the many pitfalls, regardless of the reasons (Kodak, Enron, Theranos, Volkswagen, WireCard) or cities (eg Detroit) in the USA indicates that the presence of leaders defects are present everywhere. It is also due to human nature and normal statistical distributions. The literature of the subject was not specified how many subordinates the manager should have: 20; 200 or maybe for 2000, when he would become a leader.

Table 1.

Company names and Polish leaders in selected sectors in Poland

Healthcare	Banks	IT	Communication services	Furniture	Consumer defensive	Consumer cyclical
Polpharma: Jerzy Starak	Getin Bank: Leszek Czarnecki	Asseco Poland: Adam Góral	Polsat: Zygmunt Solorz	Black Red White: Tadeusz Chmiel	Dino: Tomasz Biernacki	LPP: Marek Piechocki, Jacek Kujawa
Adamed: Maciej Adamkiewicz	Alior: Wojciech Sobieraj	Comarch: Janusz Filipiak	TVN: Jan Wejchert, Marusz Walter	Forte: Maciej Formanowicz	Eurocash: Luis Amaral	CCC: Dariusz Milek
Diagnostyka: Jakub Swadzba	Meritum Bank*: Sławomir Lachowski	Prokom Software*: Ryszard Krauze	Vectra: Tomasz Żurański	Nowy Styl: Adam i Jerzy Krzyszczak	Topaz: Zbigniew Paczowski	Wittchen: Jędrzej Wittchen

*Company, which were acquisitioned after operating more than decades.

Source: own elaboration based on sector and market reports.

The enterprises presented in Table 1 come from different sectors, but they have many common features. First of all, according to the assumptions of the article, they have been operating on the market for over 20 or even 30 years, they developed mainly organically, using their own and external funds (loans, subsidies or the issue of bonds and shares), and thus they are not state public enterprises. Some companies are now managed by the second family generation, others have hired managers and the founders sit on the supervisory board. Each of the listed companies, regardless of the industry in which it operates, is characterized by a high level of innovation, often made acquisitions in the country or abroad, opened branches and created its own organizational culture.

Individual characteristic apart of the socio- economic system of the company, are more crucial to gain the final success. Senior researcher of leadership A. Koźmiński emphasizes such features as (Koźmiński, 2008b):

- self-reliance and acceptance of individual responsibility for one's success or failure,
- proactive and innovative approach taking into account the embodied risk,
- ability to communicate, to cooperate and to negotiate,
- strong achievement motivation and self-discipline.

Nowadays it can be observed more detailed cases regarding the managers, for example about emotional intelligence to manage relationships with hidden informal leaders (Kuzior, Balahurovska, 2022). Other research about the neuroscience of the brain supports that effective leadership is based on science, not art (Fabritius, Hagemann, 2018). The author of this short article does not make a definitive indication of the essence of leadership, especially since recent studies of potential leaders also indicate emotional and spiritual intelligence (Samul et al., 2020).

4. Leaders in the IT industry - case study

A case study of long-term leader development is illustrated in the example of the IT industry. The analysis of the professionalization of the activities has been carried out in the long term, also based on broad access to source materials. The forms described were founded in the 90s of the twentieth century. The stories of ALFA and BETA leaders in the IT industry were utterly different. It is an interesting case study where BETA employed a couple of people over a decade to take over ALFA, which has competed with global players on the domestic market and was more than 50 times larger before several years of operation than BETA. Ethos, ethical work, and moral backbone are the keys to a professional leader. This example shows the victory of a skilled leader over an unprofessional leader. Over the years, other issues have emerged, showing some pathologies for a transformational economy. The best research tool was to scan their silent knowledge, i.e., know-how, emotions, and intuition. But such possibilities are still not available today, and their evaluation and analysis would be largely subjective and could still be evaluated in time.

ICT is a dynamically developing industry not only in Poland but also in the world. It is also a branch where a relatively large number of new entrants have been created. These ICT companies that operate in foreign markets need more professionalism at every stage and field of operation. As is well known, the ICT market is very competitive, with high wages and relatively high employee mobility and fluctuations. Management of ICT workers not only in Poland is therefore not accessible. The ICT market in many countries also depends on public spending, so some cyclical processes show how flexible a business is. It has recently been pointed out that ICT spending by the public sector has declined, causing liquidity problems in many companies. In addition, the increase in wages and prolongation of projects indicated that the projects turned out unprofitable.

Table 2.
Professionalization of managerial activities

Category	Leader ALFA Company	Leader BETA Company
Formal education	Master of Machine Building Technology	Masters of Computer Science, Ph.D. in Economics
Position in public sector	No evidence	University lecturer
First main commercial experience	Subordinate employee	own producing and trading activity at the market, short working time in the US
Approach to risk	High, do not taking into account all aspects of risk	Moderate and reasonable, calculated based on resources: team, knowledge, time etc.
Form of making first crucial contracts	Participation in public tenders	Initiative to small local cooperative and public entities
Form of obtaining first contracts/orders abroad	No products and orders on foreign markets	Acquiring contracts in the US market
Ethical/moral status	Not entirely clear activity on the German market, suspicions of theft	No information about unethical activity
Social activity/charity	Sponsorship of large competitions and sports clubs in the light of Jupiter	Support for social organizations and cultural institutions, and even private individuals without much publicity
Business development	High-speed and dynamic growth of the company in the first years of operation	Gradual, evolutionary, organic and through acquisitions of other entities
Company location and relationships with the environment	Large, dynamic cities with large labor markets and skilled workers	Medium-sized peripheral city in an area with lower economic growth, strong cooperation with local public and private universities
Origin of the company's capital	National entities and funds registered in countries with owner secrecy	Own resources and national entities
Management	The self-control of all activities in the company	Delegates tasks
Customers in the industry	Orientation of activities in several industries	Orientation of activities on one particular industry
Way of contracting	The basis of activity is good access and informal contacts	The base of activity in the first years is a good product and a low price tailored to the customer
Personality	Personality strongly dominant	Modest personality. He claims to be just an adviser to his employees

Source: own elaboration based on numerous press articles, magazines (Forbes, Puls Biznesu, Parkiet), prospectuses, annual reports of the company Alfa and Beta and book (Wójcik, 2015).

These studies also fit into the research conducted by Grant Thornton and HSBC (Mrozek, Wróblewski, 2016). The portrait of the Polish business leader points out: "The statistical Polish business leader has created the company from scratch in the industry of his choice, and the hard work and business intuition have allowed him not only to stay on the market but also to develop his business."

"The current generation of entrepreneurs is an excellent generation of business pioneers. They did not get anything; they got it all; they had the idea and the enthusiasm at the beginning of their business".

"The Polish leader is younger and began his adventure with entrepreneurship later than his foreign counterpart. Nevertheless, he is the author of his success, while many of the richest in the world have built their success on the merits of others, such as inheriting ancestral possessions."

The second generation of managers from the 70ties or 80ties of the family business has managed only a few big companies, and many gained education abroad and started to develop or continue the family company on the world market, as indicated in Table 1.

5. Summary

In the face of economic realities, weaker quality formal education, and party and/or union entanglements, managers of transition countries have had to face a broader spectrum of managerial challenges. Professionalization of being a manager and a leader is indispensable, but it is worth stressing that paths are different, not only related to formal education. Having a good family pattern, working in a sports club, social or religious organization, you can already have social skills learned informally from an early age. On the other hand, personal or congenital talents can undoubtedly achieve the title of a master artist, especially when backed up by formal education or relevant courses and internships.

It is indispensable to professionally manage a manager's work in the examples provided by the IT industry, as it is likely that companies will only be able to operate with a professional management approach in the long run. Those managers who break the rules of professional management or the components that make up its composition, such as ethics, lead businesses to the brink of bankruptcy. However, this issue has yet to be widely debated in public and scientific forums. Professionalism is so evident in science, such as mathematics, physics, or chemistry, that it does not discuss it. Incorrect calculation of parameters for the skyscraper, inappropriate materials, and performance will cause its crash, so there are standards and other guidelines. The risk approach to contracts and strategic decision is valuable, what we could observe in long term perspective. However the innovation always is connected with risk.

On the other hand, in the case of social sciences, the ability to identify and evaluate the activities of a professional manager is more complicated and often ambiguous because, in an ecosystem, there is no way to control and influence it. Decision-making is also based on information in this specific situation. From a decision to implement them, a particular unit of time passes, and each organization has a certain level of inertia. The Polish IT sector is still growing, but a large number of companies, due to lack of professionalism in the leader's actions or, more broadly speaking, about management from the point of view of research, prompts the question as to how the manager could fault such errors. Research in silent knowledge and social processes based on sociology, psychology, and neurology (as a field within medical science)

should foster further professionalization of the manager's activities. Indeed, a professional manager can become a master (artist) in his field. If comparing a professional manager to an artist is appropriate, then not every artist becomes a champion, just like a manager. Coupling research on the manager's professionalism should benefit the company, its employees, its customers, and other stakeholders in the ecosystem, such as the financial sector. The rapid deterioration of a company's financial condition, along with the loss of liquidity, brings a lot of negative emotions to the organization, causing excessive stress on employees and thereby worsening their quality of life.

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