dustries. First, the enabling basic breakthroughs were significantly funded by the public. Second, the breakthroughs were achieved by researchers who competed with one another but within a collaborative environment. Third, the breakthrough received life through being published for public consumption because their discovery was a public good (concepts that were very remote from most of their commercial potential, so the researchers would maximize their benefit by allowing the public goods/ ideas to diffuse and develop through the public process). And fourth, after the public goods process refined the underlying ideas for years, private industry emerged to compete intensively to capture the entrepreneurial energy and profits through producing the most valuable products and services that they could innovate.

There are a wide variety of examples of the public goods process that creates and captures entrepreneurial energy, to render the elements subservient to man – although it is hard to imagine how any could be more powerful than electronics and biotechnology.

VII.   Conclusion – Entrepreneurial Energy and the Payoff Economy

> You possess, yourself, too much science, not to see how much is still ahead of
> you, unexplained and unexplored.
> - Thomas Jefferson to John Adams, Monticello, June 15, 1813[1]

Jefferson would probably not call the recent times a "New Economy" – "new economy" applies to what he and his contemporaries created centuries ago. Rather, he might call it a "Payoff Economy," since it has been reaping the rewards of the basic research investments that were made through previous generations in accordance with the principles that were laid out at the time of the true new economy's creation.

The great danger of attributing this prosperity to a "New Economy" is that doing so masks the fact that basic research investments were made to bring forth this prosperity. Publicly funded basic research created the entrepreneurial energy that was captured, leading to this prosperity. It masks the fact that maintaining public commitment to these investments is required for sustaining prosperity. Most importantly, it masks the fact that these lessons, proven by the "Payoff Economy", can be applied and reapplied to sustain continuous waves of innovation, providing continuous waves of prosperity, which can keep the economy new.

> And where this progress will stop no one can say.
> -Thomas Jefferson to William Ludlow, Monticello, September 6, 1824[2]

Dysfunctional Managerial Behavior in the Workplace: Implications for Employees, Supervisors, and Organizations

Roy Baker[*], Stephanie Newport[*]

Abstract. This paper presents a review of the literature that describes and attempts to explain various manifestations of dysfunctional managerial behavior. Dysfunctional behavior includes questionable and sometimes erratic actions of people in the workplace. Codependency, a fairly stable pattern of behaviors, affects millions of people and is one possible explanation for

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[1] Ibid.

[2] Ibid.

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dysfunctional behavior among managers. Codependent patterns of behavior include, among others: perfectionism, over-controlling, manipulation, lack of trust, lying, and avoiding decision making and confrontation at all costs. The codependency literature has focused on psychological and sociological aspects of this condition in individuals. Very little however, has been written about the effects of codependency on supervisory and organizational effectiveness. In many cases, the organization will not tolerate under-performing departments. The lack of performance is attributed to supervisors, they will find themselves demoted, reassigned, or terminated. The "under-performance" of these supervisors is often attributed to poor motivation or poor communication skills, but in fact is generated by their difficulties with delegation, accountability and feedback, and participation on self-managing teams, among other managerial tasks and duties. The common denominator in organizational studies of codependency is corporate culture. Simply stated, an organization's culture is shaped by individuals in positions of authority. When such individuals suffer from codependency, the organization's culture will also suffer. This paper, while not directly concerned with characteristics of cultural dysfunction, nonetheless has strong cultural implications. Other issues that may be related to dysfunctional managers may include effects among employees such as, poor job performance, job dissatisfaction, absenteeism, turnover, and burnout.

Key words: perfectionism; corporate culture; manipulation; over-controlling.

Most people who have held jobs have experienced the frustration of dysfunctional supervisors: managers who do not appear to know much about managing. Dysfunctional behavior includes many questionable and sometimes erratic actions of people in the workplace. Supervisors who steal credit for others' work, who spend inordinate amounts of time finding scapegoats for mistakes, who avoid ever taking a stand on controversial issues, and who generally refuse to be held accountable for anything are all too common in the workplace. This paper both describes various manifestations of dysfunctional managerial behavior and offers a possible explanation for such behaviors in the syndrome known as codependency. Codependency, a fairly stable pattern of interpersonal behaviors, affects millions of people and is one possible explanation for dysfunctional behavior among managers. Codependent patterns of behavior include, but are not limited to: perfectionism, over-controlling, manipulation, lack of trust, lying, and avoiding decision making and confrontation at all costs.

Mainstream codependency literature has focused on psychological and sociological aspects of this condition in individuals:

"Since the 1970s, the term codependency has been used to describe an unhealthy pattern of coping that developed in reaction to an alcoholic or chemically addicted family member. Today codependency is used in a much broader way to describe an intrapsychic and interpersonal phenomenon that may occur in relationships in which dependency and control are issues." (Davidhizar, 1999).

A large body of research exists regarding the dysfunctional family, adult children of alcoholics, and codependency and their affects on individuals in their personal lives. However, very little empirical research has been conducted to identify characteristics of the codependent or dysfunctional manager or to determine the effects of codependency on individuals who hold supervisory positions in organizations. (Hall, 1991). Also, little is known about the effects of codependency on supervisory and organizational effectiveness.

"Little attention has focused on the behavior of those persons who were once associated with dysfunctional social systems - in other words, adults who grew up in dysfunctional families. Although these people may not themselves be addicts, they are nonetheless victims of alcoholism or similar problems. As a result they may bring their own dysfunctional childhood patterns into the workplace." (Hall, 1991).

The purpose of this paper is to extend the literature into that of organizational behavior so that businesses can recognize the condition known as codependency and avoid its detrimental effects on supervisory practices and behaviors.

Exactly how many individuals are affected by this condition is uncertain. Estimates as high as 96% of the population have been posited (Wegscheider-Cruse, 1984) but this figure varies widely. Although 96% is probably an outlier in extant research, we can safely assume that the problem is widespread and likely to appear frequently among managers in nearly every industry.

Individual characteristics of codependency vary in degree from individual to individual. Six criteria have been proposed that may be used in characterizing and diagnosing codependency in individuals:

"External referencing (always checking outside oneself before making choices), martyrhood (taking care of others while sacrificing one's own feelings), poor self esteem, controlling behavior (manipulation by playing a victim, rescuing behavior), demoralization (feeling hopeless, despairing, helpless, powerless), and deriving a sense of self worth from being needed." (Hagan, 1989).

The concept of codependency is a relatively recent discovery of a condition that affects a large percentage of the adult population. Briefly, codependency has been described "as a pattern of coping which develops because of prolonged exposure to and practice of dysfunctional family rules that make difficult the open expression of thoughts and feelings" (Lyon and Greenberg, 1991). The more common symptoms of codependency have been identified as (a) intense and unstable interpersonal relationships, (b) inability to tolerate being alone, (c) chronic feelings of boredom and emptiness, (d) subordinating one's own needs to those of the person with whom one is involved, (e) overwhelming desire for acceptance and affection, (f) external referencing, (g) dishonesty and denial, (h) low self-worth (Schaef, 1986; Wegscheider-Cruse, 1984; Woititz, 1987).

In many cases, supervisors are labeled as being ineffective or poor performing. Some may experience difficulty with certain aspects of their supervisory responsibilities. To date, limited research has been conducted on the effects of codependency and erratic patterns of supervisory behavior.

Since the 1980s, organizational researchers have been studying organizations in an attempt to explain questionable and sometimes erratic behavior of people in the organization and of the organization itself. Out of these studies, some researchers and organizational scholars have begun to suggest that (a) culture influence extends into all phases of organizations, (b) as a result of this far-reaching influence, organizations take on human-like mental and emotional characteristics; and (c) like humans who become mentally and emotionally ill, organizations may experience the same characteristics. Just as the study of organizations from a psychological viewpoint is a relatively new notion, the study of codependency, as it relates to organizations and members of organizations, is very recent. The common denominator shared by codependency and the study of organizations is culture. Simply stated, an organization's culture is shaped by individuals who sometimes bring with them into the workplace patterns of codependency and dysfunctional coping skills. Much has been written about confronting the employee who suffers from alcohol and/or substance abuse and the negative consequences that this behavior has for both the employer and the employee. It is only recently, however, that research is being conducted and a body of literature beginning to be generated on the effects of codependency on individuals as they enter the workplace and assume supervisory positions in organizations. How they behave and carry the wreckage of their past into everyday life is well researched and documented. Schaef and Fassel (1988) add:

Much attention has been focused on the dynamics of the addictive process infamilies and in individuals. Very little attention has been paid to how the addict, the ACOA, and the codependent replicate the patterns they develop in their families and their personal lives in the workplace (p. 97).

Children from dysfunctional homes grow into dysfunctional adults and carry dysfunctional supervisory behaviors into the workplace. Hall (1991) writes that "individuals may bring their own dysfunctional patterns into the workplace" (p. 48). Finally, Schaef and Fassel (1988) conclude that adult children of alcoholics and codependents "repeat at work some of the behaviors they exhibit at home" (p. 97).

Codependency has had an interesting evolution as a concept. The history of codependency has deep roots in the study of alcoholism which incorporates a paradigm shift from the notion

that alcoholics were social misfits to the concept that alcoholism is a disease with identifiable symptoms, predictable outcomes, and identifiable intervention and treatment strategies. Morgan (1991) continues, "The term codependency or codependence most likely evolved from co-alcoholic when alcoholism and other drug dependencies were grouped together as chemical dependency" (p. 721). As family therapy achieved popularity as a treatment method, the term co-alcoholic was transformed into the term we now know as codependency.

The phenomenon of the dysfunctional manager is a continuation of research of the global aspects of codependency and its effect on individuals.

Woititz (1987) appears to be the first to study the issues of adult children of alcoholics in the workplace. Woititz concludes that adult children who become supervisors in organizations will:

1. Demand compliance. They become ego involved with their subordinates so they consider any poor performance as a reflection on them.

2. Make changes overnight. They will push themselves to redesign an entire program within two weeks. The need is to prove that their appointment was not a mistake, so they put undue pressure on both themselves and their subordinates.

3. Want to be liked by everyone. As a result they will become over-involved with their subordinates. They will encourage inappropriate self-disclosure and then find themselves in a terrible position when it comes time to rate their job performance. The need to reprimand is greeted with great anxiety.

4. They give their ego to the organization. This is another example of a boundary issue.

5. They keep their personal feelings under control. Since this belief is so strongly held, the lid is kept on all feelings. As a result, managers do not develop their own support systems and "stuff" their reactions.

6. They have a need for perfection. This causes them to consider performance lacks on the part of employees as a reflection on them... Although they delegate responsibility, they tend not to be able to let go and over (micro) manage. They do not trust what others will do...

7. Become enablers. They tend to feel responsible for the well being and survival of their subordinates. As result, they accommodate and cover up for poor performance (p. 47-49).

Davidhizzar (1992) describes characteristics of the codependent nurse. Dysfunctional managers may share some or all of the following characteristics as defined by Davidhizzar (1992). These may include taking on heavier work responsibilities and assignments, the inability to delegate tasks to others, and becoming overly involved with the problems and personal difficulties of co-workers.

The codependent nurse will also experience difficulty adjusting to changes in the workplace. Other symptomatic behaviors may include being in the center of disputes with other employees, becoming overly sensitive to criticism from superiors, wanting to be in control, and finally, a worry of "how others will react to personal actions" (p. 39).

The study of codependency and the effect it may have on supervisors is still in the elementary stage. Cauthorne-Lindstrom and Hrabe (1990) write, "The effects of co-dependency in a manager are many and varied" (p. 38). Low productivity and staff morale may be by-products of working under a dysfunctional manager. Cauthorne-Lindstrom and Hrabe add, "A codependent manager is not an asset to an organization" (p. 38).

Hall (1991) writes, "Helping managers who come from dysfunctional backgrounds, however, presents a new and different problem for organizations. There is no management development model for dealing with dysfunctional managers. They cannot be "cured" through projects or seminars. Dysfunctional patterns result from early patterns, not lack of skills, knowledge, or ability" (p. 56).

It is a stark and somewhat disturbing realization that dysfunctional systems in the workplace introduced and fostered by codependent supervisors have negative consequences and outcomes for organizations. Codependents in the workplace contribute to organizational ineffectiveness and distress for a number of reasons. Because of the overwhelming desire to control situations and outcomes, codependent supervisors are reluctant to delegate responsibilities to subordinates. They also tend to perform poorly on work teams. A controlling supervisor discourages creativity,

productivity, and a sense of independence or ownership among subordinates. A codependent supervisor who lives from crisis to crisis, creates a crisis when none exists, and fosters confusion among subordinates. Unable to effectively communicate their feelings and ideas in the workplace, subordinates never know what to expect. Being perfectionists, codependent supervisors encourage their subordinates to learn that their best is never good enough and become discouraged. Unable to cope with the constant stress and dysfunction in the workplace, employees take extra days off, come into work late, do not work to their full capacity, become sick, resort to other forms of addictive behaviors, and in some cases separate themselves from the organization. Productivity, creativity, and quality all suffer. Clearly, organizational effectiveness, profitability, and creativity are all adversely affected by the codependent supervisor.

The way organizations realize, face, accept, and react to codependent employees in the workplace will force many organizations to rethink their position on employees who suffer from codependency. For some it will require a major paradigm shift and massive change.

Clearly, dysfunctional supervisors are difficult to work for. How to effectively function in a dysfunctional working environment provides additional challenges not only for organizations but subordinates.

This change must start by educating organizations not only to the signs and symptoms of dysfunctional supervisory behavior, but also to the interventions by appropriate individuals within the organization, and finally the necessary referral by an EAP representative to the appropriate private or public mental health facility or agency. This organizational change must be facilitated by a committed and educated human resource department.

Organizations and subordinates alike must accept responsibility for thwarting the introduction, growth, and spread of dysfunctional behavior in the workplace. It is time for organizations and subordinates to say dysfunction behavior is not normal, not good for the organization or subordinates and does not promote effectiveness, productivity, or profitability. Finally it is time for organizations to adopt zero tolerance to dysfunctional behavior in the workplace. It is a simple equation; mentally healthy employees equal a mentally healthy organization.

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Personnel Management in Lithuania's Small and Medium-sized enterprises

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Abstract. Nowadays small and medium-sized enterprises (SME) constitute the largest part of enterprises operating in Lithuania. Meanwhile, researchers in the field of PM usually analyze the problems of large enterprises. The propositions of foreign PM researchers do not always fit Lithuania's context. So:
  − the goal of the research is to identify the main characteristics of PM in contemporary Lithuania's SME.
  − the object of the research is the PM activities in Lithuania's SME.

The pilot testing was made in a number of Lithuanian SME. The questionnaire for research was prepared according to the scientific literature in the PM field. The eight parts of the questionnaire included questions that cover the main PM activities.

The article presents the main findings and hypotheses made on the basis of the research results. The comprehensive description of PM in SME in Lithuania is presented in the following logical order:

The main activities of PM are analyzed further in the article. The main conclusion of research is that most of PM activities in SME are far from theoretical propositions on content and methods of performing.

The analysis of PM body in Lithuanian SME has showed that the line managers are still the main subjects and decision makers of PM. There exists shortage of professional knowledge and skills in PM area in SME.

The transformed Soviet concern to PM, supplemented by the approach that the employee is a hired labour force prevails in Lithuanian SME; the purpose of PM still is to provide the necessary number and composition of employees.

Key Words: PM - personnel management; SME - small and medium-sized enterprises.

During the transformation period from planned-command to market economy the private sector has been formed in Lithuania. This sector is mainly represented by small and medium-sized business organizations, which nowadays are the motive power of Lithuanian economy and the guarantee of national social stability. According to the Lithuanian Small and Medium Business Development Agency (2001) SME made 99,3% of all Lithuanian enterprises. Consequently, they have the greatest influence on the peculiarities of PM in Lithuania. Meanwhile, review of literature

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