Addis Ababa University

School of Social Work

BSWK-3021 Organizational Management and Leadership

Lecture Note

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Academic Year 2017

Second Semester Course for 2nd year BSW Students

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**Session One: Organizations**

1. **Conceptual Understanding of Organizations**
	1. **Definition of Organization**:
* An organization is defined as a cooperative social system involving the coordinated efforts of two or more people pursuing a shared purpose. In other words, when people gather and formally agree to combine their efforts for a common purpose, an organization is the result.
* According to Chester and Barnard, an organization is a system of consciously coordinated activities or efforts by two or more persons. A formal organization is the coming together of persons who have formally agreed to combine their efforts for a common purpose, whether it is producing and selling or organizing welfare and charitable activities.
* Louise Allen defines organizations as “the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives”
	1. **Characteristics Common to All Organizations**

According to Edgar Schein, an organizational psychologist, all organizations share four characteristics

1. **Coordination of effort**
2. **Common goal or purpose**
3. **Division of labor**
4. **Hierarchy of activities**
* **Coordination of effort**: individuals who join together and coordinate their mental and/or physical efforts can accomplish great and exciting things. Building the great pyramid, conquering polio, sending astronauts to the moon-all these achievements far exceeded the talents and abilities of any single individual. Coordination of effort multiplies individual contribution.
* **Common goal or purpose:** coordination of effort cannot take place unless those who have joined together agree to strive for something of mutual interest. A common goal or purpose gives the organization focus and its members a rallying point.
* **Division of labor**: systematically dividing complex tasks into specialized jobs, an organization can use its human resource efficiently. Division of labor permits each organization member to become more proficient by repeatedly doing the same specialized tasks.
* **Hierarchy of activities:** According to a traditional organizational theory, if anything is to be accomplished through formal collective efforts, someone should be given the authority to see that the intended goals are carried out effectively and efficiently. Organizational theorists have defined authority as the right to direct the actions of others. Without a clear hierarchy of authority, coordination of effort is difficult, if not impossible, to achieve. Accountability is also enhanced by having people serve in what is often called, in the military language, the chain of command.
	1. **Classifying organizations by their intended purpose**

Organizations can be divided into four categories depending upon their purpose. However, some of today’s large and complex organizations overlap categories. For example religious organizations are both nonprofit service organizations and mutual-benefit organizations. Nevertheless, classifying organizations by their purpose helps clarify the variety of roles they plan in society and the similar problems shared by organizations with similar purposes.

**1.Buisness organizations**

**2.Nonprofit Service Organizations**

**3.Mutual-Benefit Organizations - self-interests**

**4.Commonweal organizations – non profit like police, army, … serving all segments of society**

**1. Business organizations:** Business cannot survive, let alone grow, without earning a profit, and profits are earned by efficiently satisfying demand for products and services. The economic production function is so important to society that many think immediately of business when the word management is mentioned.

**2. Nonprofit Service Organizations:** Unlike business, many organizations survive and even grow, without making any profits at all. They need to be solvent, of course but they measure their success not in dollars and cents but by how well they provide a specific service for some segment of society. The problem for nonprofit service organizations securing a reliable stream of funds through fees, donations, grants, or appropriations. Given today’s limited resources, both private-sector and public sector nonprofit service organizations are under pressure to operate more efficiently.

**3. Mutual-Benefit Organizations**: often as in the case of labor unions or political parties, individuals join together strictly to pursue their own self-interests. Mutual-Benefit organizations, like all other types of organizations, need to be effectively and efficiently managed if they are to survival. In this instance, survival depends on satisfying members’ needs.

**4. Commonweal Organizations:** Like nonprofit organizations, commonweal organizations offer public services without attempting to earn a profit. But unlike nonprofit service organizations, which serve some segment of society, a commonweal organization offers standardized services to all members of a given population. Examples of commonweal organizations are the Army, police, fire department. Commonweal organizations are large and their great size makes them unwieldy and difficult to manage.

* 1. **Organizational Structure**

An organization chart is a diagram of an organization’s official positions and formal lines of authority. It is a visual display of an organization’s structural skeleton. With their familiar pattern of boxes and connecting lines, these charts are a useful management tool because they are an organizational blueprint for deploying human resources. Organizational charts are common in both profit and nonprofit organizations.

**Organizational chart has two basic dimensions:**

1. **Vertical hierarchy**: vertical hierarchy establishes the chain of command, or who reports to whom.
2. **Horizontal specialization**: horizontal specialization established the division of labor.

**The evolution of an organizational chart:**

1. A one person operation with neither hierarchy nor specialization.
	1. Owner/Operator (investor, producer, marketer, bookkeeper).
2. A two-person organization with only vertical hierarchy
	1. Owner/operator (investor, producer, marketer, bookkeeper)
	2. General assistant
3. A mature organization with both vertical hierarchy and horizontal specialization
	1. **Understanding Human Service Organizations (HSO)**

**The environment of human service organizations: uniqueness of Human Service Organizations.**

Organization is a socially constructed concept. The meaning of organization vary depending on the specific situation being described (Morgan, 1986). However, in general, organizations can be defined as a regular and ongoing set of structured activities involving a defined group of individuals. Communal organizations are those social structures that are created around personal and affective connections in which the continued existence of the social structure is the primary purpose of such activities. They include families, friendship groups, communities, and societies (Hillary, 1968). Formal organizations have an explicit productive purpose. They use resources-inputs- to create –outputs. Formal organizations also include mutual benefit associations that are established primarily to provide outputs, or benefits, to a defined group of members. Mutual benefit associations include, among others, credit unions, labor unions and professional associations.

Although the boundaries of the definition of human service organization are fuzzy, a set of core characteristics, when taken together, make human service organizations a distinctive context for managerial performance. One of the important consequences of these distinctive characteristics is that organizational managers in human service organizations deal continuously with a series of *unresolvable dilemma*, dilemmas that are inherent in the nature of HSO. Hasenfeld (1992a) describes these as human service organization “enigmas”. Both organizational structures and services production processes involve complex trade-offs among important human values and important organizational goals. There is no ultimate correct structure or correct service production process in any HSO that completely resolves these dilemmas.

What are Human Services?

The concept of human service can include the following (Austin, 1988):

* Education and socialization of children and youth
* Prevention of illness, accident, interpersonal violence, and psychological and social distress
* Care, treatment, and rehabilitation of individuals who are ill, including those with mental illness
* Transfer of economic resources, or the direct provision of food, shelter and medical care …
* Care and treatment of individuals with disability conditions
* Care and protection of dependent persons
* Mutual assistance in emergency and catastrophes
* Control of dangerous or deviant individual behavior
* Development of work skills
* Recreation and social activities
* Information and counseling for individuals with psychological difficulties
* Development of social interaction skills involved in group participation and in collective decision making
* The organization of problems solving groups
* The organization of social support groups and support networks

Management in Human Service setting is a highly challenging task, primarily because the factors that differentiate nonprofit from profit making firms are the very factors that tend to make management difficult. Despite their similarities in many aspects in modern society, several aspects of human service organizations make their management particularly challenging and some are listed below.

**1. Human Service Organizations have unclear, “fuzzy” goals**

**2. There are conflicts in values and expectations among the groups involved in human service delivery.**

**3. Human service agencies have historically demonstrated more concern for means than for ends.**

**4. Measuring the outcomes of human service organizations is difficult.**

**5. Human service organizations often serve involuntary, “undesirable,” or multi-problem clients.**

1. Human Service Organizations have unclear, “fuzzy” goals. Goal statements are too general to have a great deal of meaning either to consumers or to service deliverers. Recently there is a changing situation with the realization that process and output measures common in human services (# of counseling sessions, referrals made) but still do not tell communities or policy makers much about what is actually being accomplished. Much of the activities are difficult to measure and to set clear performance goals for workers and managers.
2. There are conflicts in values and expectations among the groups involved in human service delivery. Hasenfeld (1992) describes human service as “moral work” to illustrate the dilemma that the goals of human services are not accepted unanimously by all stakeholders. In the USA the goal of welfare reform law of 1996 for many conservatives implied or explicit, was to get people off welfare. They expect the poor to take care of themselves. For others the goal was to enhance self-sufficiency. Conflicting policy priorities often result in conflicting mandates and regulations for human service agencies.

There is also a difference among many professionals employed in human service organizations. The different groups of professionals who are equally committed to client services, conflict may emerge based on differing treatment philosophies. A dually diagnosed client may be seen very differently by a twelve-step-oriented substance abuse provider and a mental health professional that sees medication as the main way to control behavior.

The production of human service includes critical decisions that involve complex value judgments and have moral consequences. Example:

* The decision to prolong the life of a premature infant with physical disability
* The advice of a high school counselor to a high school student regarding academic and career options
* The decision of a parent between institutional placement or self care of a child with multiple disability
* The choice between family preservation services or court-ordered removal of an abused child from her or his home…etc

The outcomes of the decisions that are made are judged in human value terms, not just in instrumental terms. The choice to use the withdrawal of social benefits, the enforcement of constraints, or other forms of individual punishment in an effort to achieve the objectives of a service program is first, and foremost, a moral decision rather than an issue of relative program efficiency.

1. Human service agencies have historically demonstrated more concern for means than for ends. Because of the difficulty in effective service methods and outcomes, human service providers have concentrated more on the nature of the services than on ultimate outcomes.
2. Measuring the outcomes of human service organizations is difficult. It is easier to count the number of job-training sessions an unemployed client receives than to document having an individual employed in a living-wage job for a particular length of time.
3. Human service organizations often serve involuntary, “undesirable,” or multi-problem clients. Hasenfeld (1992) uses the term client reactivity to describe the complexity of the relationship between clients, often with multiple problems, and the service delivery process. This is complicated by the many actors who may be interested in the case. In an allegation of child abuse, for example, the interests of the child, the parents, other family members, and the community intertwine in complex way, making service delivery complicated.

But human service agencies are not necessarily doomed to a future of mismanagement and inefficiency. Many of the problems that plague them can be solved or at least cut down to manageable size through more effective planning, which includes proactive attention to key factors in the human service environment.

What are the human service environment that needs attention and the current major trends?

 **1/Stakeholder expectation**

 **2/Analysis of environmental trends**

 **Political, Economic, Social, Technological trends**

 **3/From the World to the Neighborhood – Think globally and act locally**

* + 1. Needs Assessment
		2. Asset Mapping
		3. Community collaboration

 **4/Boundary management**

 **5/Marketing for the good of the agency and its clients**

**1/ Stakeholder expectation**: those with a stake in what the human service organization is doing and how it does business. Its sources of finance, clients, human service organizations, business people, government agencies and all the regulatory bodies are among the core stakeholders. The human service organization should strive to know their interest and address it in whatever possible way.

**2/ Analysis of environmental trends:** seeing not only current trends but the underlying deep, strong “currents” and then responding to them by developing strategies and programs is important. The following are major trends of the environment and are not “surface trends” that are likely less important in a matter of a year or two.

a/ Political Trends: considering the government federal system where power is decentralized to the regional states is essential. Various sectoral policies plus, in a recent development, the Charities and Societies Proclamation No 621/2009 that defined types, organization, legality, sources of resources…of human service organizations particularly CSOs are federal government laws that set the future trends of human service provision. Issues of accountability and constituency building, working in partnership with the private sector and the results of the new political trend in Ethiopia.

b/ Economic Trends: the global economic and financial crisis, the increasing gap between the haves and the have-nots, increased market competition, unemployment, the escalation of prices of public goods and services…etc may exacerbate the inequality. These economic trends have their own effect on the service delivery of human service organizations.

c/ Social Trends: the growing rate of unemployment, rural-urban migration of the youth due to lack of productive assets such as land, HIV/AIDS and its aftermaths, rise of cost of living, child abuse such as, trafficking, labor, sexual and physical abuse, the expansion of prostitution…etc are all social issues that affect the programs of human service organizations.

d/ Technological Trends: the broader definition of technology in view of social work includes the work rules, tools, equipment’s information used to transform inputs into outputs (goods or services). The service delivery method and processes we use to help change people for example, casework, psychotherapy, and community organizing) are our technologies. Human service organizations are increasingly pressured to change or adopt technologies. Organizing the poor into new business and self-help programs, restructuring the human service organizations, using information systems…etc all are part of technological changes.

**3/ From the World to the Neighborhood**

Thinking Globally and Acting Locally. The issues so far discussed are by and large global or national that is applicable to all human service organizations. A wise manager of HSO will, to function effectively and purposefully, think globally and act locally. The following points will deal with techniques for keeping up-to-date on what is happening in the agency’s immediate environment.

* 1. Needs Assessment
	2. Asset Mapping
	3. Community collaboration

**4/ Boundary Management** -Collaboration, Professional Association, and Networks.

In addition to all of their other responsibilities, managerial leaders, especially those at the upper echelons, need to assume “boundary-spanning” roles that require them to interface with those elements of their organizations’ task environment, or supra-system, that have a direct bearing on the organization’s growth, survival, efficiency, and effectiveness. Knowledge of the environments in which human service organizations are embedded and of the skills required to negotiate balanced exchanges of tangible and intangible goods and services between the organization and its task environment becomes an essential component of the managerial leader’s professional armamentarium.

They have to spend much time outside of the organization in face-to-face meeting with other service providers, funders, community members, advocacy groups, government officials, and the news media.

**5/ Marketing for the good of the agency and its clients**

Human service workers may view the subjects of marketing and public relations with resentment, puzzlement, bemusement, of indifference. In fact a market orientation is compatible with the social work values and ethics of client self-determination and empowerment. Managers should understand the value of these tools and use them appropriately for the good of the agency and its clients. Public relation and marketing are ways of interacting with the environment.

Lauffer (1984) summarizes the key components of marketing using five Ps.

**a. Publics**: ***Input publics*** consist of those who provide resources, primarily funding sources, ***throughput public*** are staff, and ***output publics*** are clients. All of these needs to be treated as important stakeholders, and agency service and processes should be designed in way that respond to their key concerns or expectations.

**b. Products**: are programs and services. From a marketing perspective, it is important that services are, in fact, seen as a valuable product-something that clients, funders, or referring agencies will want to use. A useful marketing concept in this regard is the notion of the market segment or niche. The agency should design and offer programs based on its unique skills and competencies. Determining a program’s niche can be aided by using a competition analysis in relation to other service providers.

**c. Place**: the third P, is place which is important in competition analysis. An agency may see from the analysis that services are missing in particular geographic area, and the features may be defined from the funder’s perspective using a specific geographic area or responding to a call for proposal, it might be also with respect to client accessibility and convenience.

**d. Price**: price may range from nothing to sliding-scale fees to reimbursements from funders or insurance companies. There are also psychic costs to clients: will there be embarrassment or inconvenience factors to overcome? A client decision to come to an agency may be based partly on the client’s weighing of the benefits and the costs. Price is also relevant in the context of grant or contract amount. It will be increasingly necessary for an agency to be “competitive” offering funders or clients a valued service at the best cost. The challenge for the agency when negotiating the grant or contract funding amount and scope of services will be to ensure that quality services and desired outcomes can be delivered for the agreed-on cost.

**e. Promotion**: promotion involves putting all the other Ps, together and “selling” the program’s services to its various publics. Market “positioning” then involves orchestrating the way the program or services are presented to the various publics. This is partly public relations: shaping the agency’s or program’s image through media relations, advertising, brochures, networking, or other public relations activities.

Marketing and collaboration: *Marketing does not only refer to competition but also has a significant element of collaboration*. An agency may engage in marketing through collaboration with other agencies. They may decide jointly to design their promotions to fill complementary niches, based, for example, on each agency providing the same services in a different geographic area. The emphasis should always been responding appropriately to clearly identified community concerns and needs, to the improvement of the quality of life of its members.

**Session TWO: Management**

1. **Conceptual Understanding of Management**
	1. Definition of Management

We now need to define management, in order to highlight the importance, relevance, and necessity of studying it. In its simplest form, management is the process of working with and through others to achieve organizational objectives in a changing environment. Central to this process is the effective and efficient use of limited resources.

***Five components of this definition require closer examination:***

* 1. **Working with and through others**
	2. **Achieving organizational objectives**
	3. **Balancing effectiveness (achievement of objective) and efficiency (resources)**
	4. **Making the most of limited resources, and**
	5. **Coping with a changing environment.**
1. **Working with and through others**

Management is above all else, a social process. Many collective purposes bring individuals together-building cars, providing emergency health care, publishing books, and on and on. But in all cases, managers are responsible for getting things done by working with and through others.

Aspiring managers who do not interact well with others hamper their careers. This was the conclusion two experts reached following interviews with 62 executives from the United States, the United Kingdom, Belgium, Spain, France, Germany, and Italy. Each of the executives was asked to describe two managers whose careers had been derailed. Derailed managers were those who had not lived up to their peers’ and superiors’ high expectations. The derailed/weak/spoiled managers reportedly had these shortcomings:

* Problems with interpersonal relationships.
* Failure to meet business objectives.
* Failure to build and lead a team.
* Inability to change and adapt during a transition.

Significantly, the first and third shortcomings involve failure to work effectively with and through others. Derailed managers experienced a number of interpersonal problems: among other things, they were perceived as manipulative, abusive, untrustworthy, demeaning, overly critical, not team players, and poor communicators.

1. **Achieving organizational objectives**

An objective is a target to be strived for and, one hope, attained. Like individuals, organizations are usually more successful when their activities are guided by challenging, yet achievable objectives. From an individual perspective, scheduling a course load becomes more systematic and efficient when a student sets an objective, such as graduating with a specific degree by a given date.

Although personal objectives are typically within the reach of individual effort, organizational objectives or goals always require collective action.

**Organizational objectives also serve later as measuring sticks for performance**. Without organizational objectives, the management process, like a trip without a specific destination, would be aimless and wasteful.

1. **Balancing effectiveness and efficiency**

Distinguishing between effectiveness and efficiency is much more than an exercise in semantics. The relationship between these two terms is important, and it presents mangers with a never-ending dilemma. Effectiveness entails promptly achieving a stated objective. Swinging a sledgehammer against the wall, for example, would be an effective way to kill a bothersome fly. But given the reality of limited resources, effectiveness alone is not enough. Efficiency enters the picture when the resources required to achieve an objective are weighed against what was actually accomplished. The more favorable the ratio of benefits to costs, the greater the efficiency. Although a sledgehammer is an effective tool for killing flies, it is highly inefficient when the wasted effort and smashed walls are taken into consideration. A fly swatter is both an effective and an efficient tool for killing a single housefly.

*Therefore, effectiveness is a central element in the process of management that entails achieving a stated organizational objective. Efficiency is a central element in the process of management that balances the amount of resources used to achieve an objective against what was actually accomplished.*

Managers are responsible for balancing effectiveness and efficiency. Too much emphasis in either direction leads to mismanagement. On the one hand, managers must be effective by getting the job done. On the other hand, managers need to be efficient by reducing costs and not wasting resources. At the heart of the quest for productivity improvement (a favorable ratio between inputs and outputs) is the constant struggle to balance effectiveness and efficiency.

1. **Making the most of limited resources**

We live in a world of scarcity. Those who are concerned with such matters worry not only about running out of nonrenewable energy and material resources but also about the lopsided use of those resources. The United States, for example, with about 5 percent of the world’s population, is currently consuming about 25 percent of the world’s annual oil production and generating 23 percent of the greenhouse gases linked to global warming. Although experts and non-experts alike may quibble over exactly how long it will take to exhaust our nonrenewable resources or come up with exotic new technological alternatives, one bold fact remains: our planet is becoming increasingly crowded.

In productive organizations, managers are the trustees of limited resources, and it is their job to see that the basic factors of production-land, labor, and capital- are used efficiently as well as effectively.

1. **Coping with a changing environment.**

Successful managers are the ones who anticipate and adjust to changing circumstances rather than being passively swept along or caught unprepared. Employers today are hiring managers who can take unfamiliar situation in stride. The next generation of corporate leaders will need the charm of a debutante, the flexibility of a gymnast, and the quickness of a panther. A few foreign languages and a keen understanding of technology won’t hurt either. Also in the mix are a sense of humor, passion, and the ability to make fast decisions.

**Globalization**: Figuratively speaking, the globe is shrinking in almost every conceivable way. Networks of transportation, communication, computers, music, and economics have tied the people of the world together as never before. Companies have to become global players just to survive, let alone prosper. Business and job opportunities have little regard for international borders these days. A good education and marketable skills are the best insurance against having your job outsourced to a foreign country.

**Why do Social Workers Study Management?**

* Many practitioner skills in social work are also managerial ones, and all social workers increasingly work to managerial agendas. The most obvious overlap concerns that management of people. Whether these are service users, careers, the general public or those who regulate service provision, management, just like practice, involves the ability to write and speak clearly and to engage in purposeful interpersonal relationships.
* The principles and skills involved in managing personnel are common to all organizations- private, public and voluntary. The objectives may be different from one agency to another, and at each level within a department, but the means used in attempting to reach there remain constant. Engaging with and relating to people, helping others to achieve their goals, supervising their efforts, maintaining morale, consulting a wide range of sources prior to making decision, problem solving, and introducing and managing the process of change are just some of the tasks common to the practitioner and the manager.
* For those social workers who are budget holders, there may be some worrying issues to be resolved. For instance, there may be inherent contradictions in orchestrating community care packages within resources limitations while also acting as an advocate for better client service overall, or in balancing a user’s needs and wishes while also shopping around for the least costly forms of care.

Although these narrowly financial concerns may be recent, the management of resources has, in fact, always dominated the social worker’s tasks if we count within this the management of time and of self. Frontline workers devote many hours to travelling, attending meetings, negotiating, doing administration and referring on. It is startling how many social workers and their managers are unable to ration themselves across a working day or week or to delegate effectively. While the theme of the 1980’s was to assume that managers should be available at all times and respect was reserved for the workaholics’ (the lunch is for wimps’ ethos), the managers of the future (and ideally all workers) should be noted for their capacity to reflect on what they are doing and to draw boundaries around the energies available for their career and those available for personal and family commitments.

* Standards and procedures are equally a part of a new ethos in the voluntary and private sectors. Most voluntary organizations have to comply with Charity commission requirements and often the obligations of a compact and/or contracts with the local authorities and all independent providers operate within a contract culture, which means that staff have to be constantly aware of quality standards and required managerial practices. Nor do freelancers escape from procedures, guidelines and form-filling. Trainers, consultants, mentors and other self-employed people who use their social work qualifications and experiences to work from home are increasingly expected to operate their own quality controls to nationally recognized standards and the contracts they obtain for their services typically require this to be the case.

**Should all managers be qualified social workers?**

Is it necessary for those who develop and maintain social welfare organization to be qualified social workers? In the United States when social services departments were first created, it was thought that those heading them should, if possible be qualified in social work and, ideally, be experienced and/or trained in administration. At that time many top managers were promoted through the practitioner ranks and only a few were from other professions. Management training and qualifications were poorly developed; experience and ‘political’ ability were seen as the key requirements. The rise of the managerial ethos in the 1990’s undermined this position, with generic management training and skills coming to the fore. Now services to children, adults and the elderly take a range of other services such as education, and health together in one, new organizational structure.

In the voluntary sector, there are equally significant changes. Charitable organizations have had to become more businesslike, more competitive in an age of contracting out, are held to account for their performance and are reliant on marketing their image and their work in order to sustain an income; their managers face new challenges accordingly (Jackson and Donovan, 1999). Of course, there is enormous diversity among voluntary bodies in the UK and only a fraction have a social work identity or even employ a qualified social workers, although, at the same time, there is a continuing trend for local authorities to contract out public services to voluntary sector provider agencies. The question of who their ‘managers’ should be is, therefore, complex. The private sector has also increasingly entered social care, as a provider of a wider range of services, bringing its own ethos of customer relations and financial management. It is not uncommon for mangers to run their own care homes or be employed in relatively small businesses. A social work qualification would not be a high on the list of requirements for such a position.

All of these arguments radically change the balance of the argument about what is needed in a manager. When even well established charities have to look for figureheads who are good at ‘fronting’ their organizations, the idea of being professionally qualified in social work may seem almost irrelevant. And the emphasis on commercial or business ‘success’ may dictate a different set of priorities and skills from those traditionally valued by organizations which see themselves as preventing human distress and working in partnership with users-for whom there may be little public sympathy or support.

Administration in human service organization is analyzed as a generic process in which direction, management and supervision are key elements. In this formulation if administration refers to the overall process, then the component elements correspond to three general levels in the hierarchy:

* At the top, the directing function involves long-term planning and objectives;
* In the middle, the management function sustains the system as a going concern;
* While the supervisory function at the team leader level oversees the use of the resources and policy instructions provided by management to ensure that performance is up to standard.

In large organizations, the first two tiers primarily call for sound management and are precisely the levels at which staff are increasingly studying for MBAs, while the supervisory roles are best carried by those who have competence in the professional activity they are supervising.

* 1. **Management Theories**

Starting from the classical theories of management, we will look at: scientific managerialism, which tends to treat employees like cogs (parts) in a machine; the human relations school of management theory which added people into the equation; and the study of organizational structures, particularly bureaucratic hierarchies and organizations as systems, because these models will be most familiar to social workers.

* 1. **Universal Management Process - (Henri Fayol 1841-1925).**
	2. **The Operational Approach - Frederick W. Taylor (1856-1917) - ‘Scientific Management’ - Taylorism**
	3. **Henry Ford (1863-1947). Similar to Taylor – Fordism**
	4. **Max Weber (1864-1920) – Bureaucratic Model**
	5. **Human Relation Theorists (The Behavioral Approach):**
		1. **Universal Management Process**

**Principles of management of Henri Fayol (1841-1925)**

According to Fayol, organizations do not manage themselves. If policy is to be uniformly followed and resources fairly allocated, communication and coordination have to be deliberately facilitated. ***According to the universal process approach, the administration of all organizations requires the same rational management process.*** He is best remembered for his 14 principles of management:

1. Division of labor: Specialization is achieved by dividing groups to undertake similar functions. In social work, this can be by user group, problem type, method of working, setting or context, population group, practice role, specific tasks, or stage in the allocation and progress of the work.
2. Authority: the right to give order must accompany responsibility: Those at the top are responsible for identifying key objectives. We shall return to this, Fayol’s unity of direction, under the fashionable label of ‘mission statement’,
3. Discipline: obedience and respect help an organization run smoothly. A successful organization requires the common effort of workers. Penalties should be applied judiciously to encourage this common effort.
4. Unity of command: each employee should receive order from only one superior or each worker should report to only one senior.
5. Unity of direction: the entire organization should be moving toward a common objective, in a common direction.
6. Subordination of individual interest to the general interest: resolving the tug of war between personal and organizational interests in favor of the organization.
7. Remuneration: employees should be paid fairly. Many variables such as cost of living, supply of qualified personnel, general business conditions, and success of the business should be considered in determining a worker’s rate of pay.
8. Centralization: the relationship between centralization and decentralization is a matter of proportion: the optimum balance must be found for each organization. Centralization is considered as lowering the importance of the subordinate role and decentralization is increasing the same importance.
9. Scalar chain: Managers in hierarchies are part of a chainlike authority scale. Each manager from the first line supervisor to the president possesses certain amount of authority. The existence of a scalar chain and adherence to it are necessary if the organization is to be successful.
10. Order: both material things and people should be in their proper places for the sake of efficiency and coordination.
11. Equity: All employees should be treated as equally as possible. Fairness that results from a combination of kindliness and justice will lead to devoted and loyal service.
12. Stability and tenure of personnel: Retaining productive employees should always be a high priority of management. Recruitment and selection costs, as well as increased product-reject rate, are usually associated with hiring new workers.
13. Initiative: Management should take steps to encourage workers initiative, which is defined as new or additional work activity undertaken through self-direction. one of the greatest satisfactions is formulating and carrying out a plan.
14. Esprit de corps /Harmony/: Management should encourage harmony and general good feelings among employees. Harmonious effort among individuals is the key to organizational success.

**Critique and legacy of Fayol’s ideas:**

1. Only considered small scale organizations: He based much of his theory, his ‘functional principle’, on a relatively small-scale company, employing one kind of workers to do one kind of job, with a single product (coal) which needed very little done to it before could be sold, and serving only a few markets in which it had a virtual monopoly. His design principle is not well adapted to complexity, size, innovation or externally imposed change, all of which feature heavily in social work.
2. He assumed top-down management- forecasting and planning being, the main task of the organizational head- rather than the participation, partnership and team work of which there is so much talk today, or the answerability to outside interests, like government and the local community, that pertain in social work.
3. One size fit for all: The key limitation in Fayol’s thinking lay in trying to prescribe one set of principles to cover all eventualities. Joan Woodward in the 1950’s revealed that there are, in fact, no optimum structural characteristics (such as number of levels of hierarchy or ideal span of control) or principles of administration that apply to all organizations. What affects success is the fit between structure, task, technology, management, employees and environment.
	* 1. **The Operational Approach; Frederick W. Taylor (1856-1917): ‘Scientific Management’:**

Production oriented field of management dedicated to improving efficiency and cutting waste. It is a kind of management that relies on developing performance standards on the basis of systematic observation and experimentation. He is the originator of the movement known as ‘scientific management’ or ‘Taylorism’. His lifelong interest was engineering and innovation based on which he tried to make specific tasks rational. Taylor:

1. Focused on division of tasks and management control: He set about systematically studying work, breaking each task down into its components movements to discover the most efficient way of performing each job, and then considered how management techniques could control the workers to work consistently at maximum efficiency.
2. Introduced the concept of peace rate to measure outcome: Everyone is familiar with his methods- the stopwatch and the ‘time and motion’ study- and with their outcomes in the form of piece-rate working and incentive schemes.
3. Considered people like objects of production: He looked at people as if they were machines, except that humans make errors and, in his view, work only to earn money (albeit money that can buy a better quality of life outside work). Taylor’s interest in management lay in not allowing people to make machines less efficient than they ultimately could be.
4. Today whenever we hear talk of output measures, functional analysis of occupations, performance indicators and so on, we are in the world of Taylorism.

**Critique and legacy of Taylorism**

1. On the plus side, Taylor wanted to take the unnecessary toil out of work and believed that increased productivity would lead to a living wage.
2. But he studied the bottom end of the hierarchy without being ‘bottom-up’ in his attitudes towards management control, putting the onus on the workers to make an organization profitable without according them any status beyond the mechanistic.
3. His methods gave no scope to imagination or innovation. Workers were treated as less than human and not as able to innovate or change their own working patterns for the better.
4. Nevertheless, Taylor is remembered as the first person to study work as a subject in its own right.
	* 1. **Henry Ford (1863-1947). Similar to Taylor**

1.. Ford was a genius at marketing. He paid his workers twice the going rate in order to turn them into a market for his own cars and introduced mass production methods to keep up with the sales of an affordable, reliable and practical product that everybody wanted.

2.. He started the concept of special offers (a $20 refund promised, and delivered, to every purchaser in the country if sales hit a certain target) and international marketing efforts.

3.. Ford never trusted managers, hung onto control himself and sacked anyone else who tried to make decisions; he saw no reason why one department in his business empire should know what another was doing and eventually lost a great deal of money.

**Critique on Fordism**:

1. Lack of collegial support and team work leading to feel stressed
2. Procedural efficiency, based on performance indicators and monitored outcomes, appear to have taken the place of building relationship.

In summary, classical theories of management rooted in

* To see organizations as machines and their employees as cogs each working out specialized tasks.
* Associated with continuous processing and mass production
* Regards mangers as holding top-down responsibility for planning, monitoring, and motivating the work of others within their span of control.
* But, these ideas are regarded as too rigid and predictable to reflect the contemporary world of work.

**2.2.4 Max Weber (1864-1920).**

Weber is a German Sociologistwho formulated a typology of organizational forms based on the exercise of power and authority (i.e, the behavior within organizations and not just their outward shape), from which the bureaucracy emerged as the most technically efficient. He identified three types of authority:

1. Charismatic authority: combination of personal qualities and vision (unfortunately true of some abusive residential regimes, as well as religious and political movements)
2. Traditional authority: on account of hereditary position
3. Rational-Legal authority: the chief form of delivery is through large, local authority bureaucracies or voluntary organizations in which a high value is placed on personal and organizational accountability.

Weber defined the bureaucratic organizational structure as a hierarchy of offices, or posts, rather than individuals. According to Weber (1947), the five main characteristics of a ‘pure’ bureaucracy are:

1. A clear-cut division of labor, with activities rationally distributed as official duties (you work within your job description and on work as allocated, not what you feel like doing that day).
2. The distribution of duties through formal administrative hierarchy, in which each office is supervised by the one above supervisory chain. (A social worker does not just ring up the director to ask for more resources or advice on a difficult case, nor do people conduct their work through those they happen to get on with).
3. A prescribed system of rules and procedures, which, if not followed, can lead to disciplinary action and, conversely, should safeguard the worker if the rules are followed but a case does not turn out well.
4. Exclusion of personal and official business: The exclusion of personal considerations from the conduct of official business, both by the employee and the organization. (Here, thinking has moved on somewhat, as we shall see, below, but it is still absolutely the case that social workers must be able to distinguish between their personal and professional boundaries.)
5. Salaried employment based on technical qualifications and constituting a career within the hierarchy-recruitment and selection against job descriptions and person specification, staff development and promotion prospects all relate to this element of a bureaucratic organization.

**Critique of the Bureaucratic Model in Social Work:**

This formalized hierarchical model is still commonly found in social welfare organizations and it does offer some benefits. There are undoubtedly advantages to a large workforce in having clear lines of common, coherence and predictable rules. The organization is more readily answerable to those who use its services-in allocating resources fairly, for example- and also to staff members who may feel aggrieved. Workers know when they apply for promotion what abilities they will be expected have and can usually expect staff development opportunities to assist them if they want to move on in their career because this is also to the advantage of the organization. Some security is offered inasmuch as staff knows who does what and that here is stability in the system.

There are also limitations for social work in this organizational form because:

1. It is best suited to routine, stable, unchanging tasks. There have always been doubts about its appropriateness for social work practice. Not only is social work forever in a state of flux at the wider level, as thinking about social welfare changes along with the political climate but, at the front line, it is also has to deal with the messiness and unpredictability of people’s lives. This makes it hard to give anything but the most general indication of how each person should be treated, or, at the other extreme, risks turning people into categories and losing the social work skill of working with each as a unique individual in a specific set of circumstances.
2. A rigid organizational structure is not well suited to situations where individual members of staff are required to exercise personal judgment or professional autonomy (Aldridge, 1996). Social workers are not expected to have to be told in detail how to do their jobs. They bring with them the ability to make specialized, individualized and complex judgments about people and their lives which is the hallmark of the qualified professional. Consequently a hybrid term of ‘bureau-professionalism’ is sometimes used to apply to the social work context.
3. A rigid approach may be less responsive to the many, potentially competing stakeholders in social work beyond the immediate employing organizations.
	1. First, social workers retain more autonomy than factory-floor workers because they draw their professional skills, knowledge and values from outside points of reference (Mintzberg, 1989), particularly those of a university-based academic discipline and a professional association with its own ethical code as well as the requirements of a regulatory bodies. These organizations are linked to global groupings of practitioners, teachers and researchers who are in continual debate about what social work is, what it can achieve and the standards by which it should operate.
	2. Second, those bodies that actually pay social workers’ wages are themselves loosely grouped into an ‘employers’ lobby’ consisting of many disparate organizations. There are also many other relevant groups that are bigger and more influential than a single agency.
	3. Third, there is increasing pressure on social work, and rightly so, to be responsive to users and careers, as well as to the general public who feed their views, for example, into local community care plans.
4. The more diverse and organization’s activities and the more types of people it serves, the greater the complexity required in the shape that holds everything together (Haynes, 2003). Thus social services, for example, tends to sprout side shoots in the form of specialist teams or, increasingly, workers are out posted into multidisciplinary teams where staff from other agencies or professions, as hospital consultants, managers of youth offending teams or teachers, will be as influential as the social workers’ own departmental managers. Such structures are likely to become more common with the increase in partnerships with and within bodies. Also, there is an increasing need for non-social work, technical specialists to manage or advise on whole parts of the organization or department’s activities, such as computing, legal or equalities issues. Their policy priorities and links with staff may cut across operational line management, that it, across the overseeing of the basic business of that department or agency.

**2..2.5. Human Relation Theorists (The Behavioral Approach):**

To Weber and Fayol, people were roles in a hierarchy of responsibilities; to Taylor, they were cogs in a machine; to Ford, the consumers of his products and the workers on his assembly lines.

A reaction against these mechanistic approaches came in the form of the human relation movement. The key thinkers behind this approach recognized that people not only work for an organization, they are the organizations. Of equal importance as the manifest formal structure is the informal structure created by the behavior of people, as individuals and in groups, as they live out the un-predictabilities and emotional vagaries that social workers know so well.

The human relation movement was an effort to make managers more sensitive to their employees’ needs. This approach is supported by three historical influences: the *threat of unionization*, the *Hawthorne studies*, and the *philosophy of industrial humanism*.

* + - 1. **Mary Parker Follett (1868-1933):** human problems and working them out together. She was instrumental in shifting the emphasis in management from a concern with organizational control to one of sensitivity to human factors. Just like social workers, she considered that management should be based on the ethical principle of respect for human work and dignity, not the emotionally sterile pursuit of efficiency at any cost. Follett drew her thinking about the worth of all people and the dynamic integration of organizations into four fundamental principles which are still relevant:
1. Interaction among employees: To achieve coordination, it is important that people, regardless of their position, should have *direct contact with one another.*
2. Participation: Everyone concerned with a policy or decision should be involved from the early stages, they should not be brought in afterwards as this denies the benefits of participation, increased motivation and raised morale.
3. Considering issues contextual & interrelated: Coordination depends on seeing all factors in a situation as inter-related.
4. Coordination and executive decisions are continuing processes; nothing is final. And, because so many people contribute to a decision, it is an illusion to suggest that, ultimately, the person in the hierarchy who carries the authority is the one and only person on whom responsibility can be placed.
	* + 1. **Elton Mayo (1880-1949):** Motivating people and understanding informal relations of employees

Just as people can affect the working of a system, so too can they be affected by it, that is, by the general climate in the workplace and the way they are treated there. He revealed that every organization has an informal structure which affects how people behave, how the system functions and which management methods need to be adopted to raise morale and assist people to be mentally healthy at work.

Mayo saw that business methods that take no account of wider human issues, such as emotional reactions and the social climate of the workplace, can lead first to subtle sabotage and then to formalized industrial conflict.

Mayo explored the informal social systems which grow up among employees and which, because they underlie both cooperation and resistance to change, must play a part in the effective organization of work. People have a natural propensity to associate with one another and they care what ‘their’ group thinks about them. To be motivated, they need a management style that maintains and builds on this spontaneous cooperation in groups, takes a genuine interest in both the individual and the group, provides new interest from time to time and also recognizes that workers, employed in an enterprise which has been artificially created to achieve certain ends, do think about what good their work is to the wider society. All these makes perfect sense in social work

* + - 1. **Chris Argyris (1923-)** suggested that workers do not grow or become self-actualized in structures which offer them little control over their work. Rather people who do not experience autonomy and involvement adapt their behavior in ways that are immature, passive and dependent. Initiative is lacking people ‘clock watch’, take longer and longer breaks, cling to habitual routines, resist change, impede progress and show minimal commitment to the agency or its work. Management responds with repressive control, staff grow yet more infantilized and resistant and a downward spiral is created that, unfortunately, is not unknown in social work setting.

If it were possible to encourage ways of working that did not put individuals and organizational needs in opposition, then Argyris considered that worker satisfaction and productivity might both improve.

His model of management takes a multidimensional view of a worker as not just a strong arm or a good mind but a whole person.

* + - 1. **Douglas McGregor (1906-1964)** another psychologist built on Abraham Maslow’s (1954) motivation theory of basic human needs, with which many social workers will be familiar. Once basic physiological and safety needs have been met, people at work become interested in self-fulfillment and responsibility. So work is not just a source of money but of self-respect, risk-taking and creativity (contrast the way that Taylor thought about his workers). If this is so, then positions have to be designed and fitted to people in the hierarchy, rather than the other way round.

Maslow’s hierarchy of needs: human needs can be identified in terms of a hierarchy, with higher needs coming to the fore after lower needs have been met. The hierarchy of needs includes from lowest to highest.

1. Physiological needs, at the level of basic survival
2. Needs for safety and security
3. Needs for belonging, love, and social interaction
4. Esteem and status needs, and
5. Self-actualization needs.

Maslow’s notion is that the lower needs dominate until they have been reasonably satisfied. When the lower needs have been met, the human being becomes increasingly motivated to satisfy higher needs. The ideal has strong implication for work-related motivation because leadership must involve the identification of those needs that will form the basis for employee performance. Maslow’s theory makes it clear that once the lower order needs have been met, they no longer serve as motivators.

McGregor (1960) coined the terms ‘Theory X’ and ‘Theory Y’ to describe the authoritarian and participative approaches to management.

‘Theory X’: assume that people are naturally lazy, irresponsible and resistant, rather than being made that way by the organization they work in. managers would have to assign tasks, like Taylor, be job-centered rather than person-centered; supervisors would ensure that their subordinates were kept busy. The design of the organization would be one of clear lines of authority, narrow spans of control and centralized decision-making.

‘Theory Y’: people are naturally striving, taking pride in their accomplishments and seeking new experiences, would indicate a structure which delegates responsibility and control, encouraging workers to participate in decision-making. Some social service organizations still manage to operate in this style and consider that it is easier to meet quality standards when staff are committed to their work and the organization is not dogged by uncontrolled sick leaves, high staff turnover or low morale. Theory Y-style management certainly seems more suited to social work and social care.

* + - 1. **Rensis Likert (1903-1981)** was always interested in leadership styles. From the attitude research of workers he gave his name to the ‘Likert Scale’, which grades responses to survey questions and in a 1961 book based on this research, categorized four systems of organizational management along a continuum.

 Likert (1967) examines a number of specific organizational variables, including leadership, motivation, communication, decision making, goal setting and control. He divided organizations into four basic types, based on how they deal with these organizational variables. He labels his four types:

1. System 1. **Exploitative authoritative**: leaders distrust subordinates, decision making concentrated at the top of the hierarchy, communication exclusively downward , control and power centralized in top management and others feel little concern for the organization’s overall goals.
2. System 2. **Benevolent authoritative**: Power is centralized in the hands of the few at the top of hierarchy, but adds an increased degree of communication. There is more trust in subordinates, but it is condescending in nature.
3. System 3. **Consultative**: Increases communication, employees have the opportunity to give input, although all major decisions are still made at the top of the management hierarchy.
4. System 4. **Participative group**: Leaders have complete confidence in workers, by motivation that is based on responsibility and participation as well as on economic rewards, by communication among all organization members, by extensive interaction, by decentralized decision making, by wide acceptance of organizational goals, and by wide spread responsibility for control

 A close-knit work group supports management’s aims can, he thought, induce its members to be more efficient, just as a resistant one can pull performance down.

 On the other hand, a team which forgets that it is still part of its employing organization, and which uses its collaborative strength to deviate from organizational norms or purposes, is likely to find itself pulled back into line. To avoid this, the leaders of effective work groups not only get to know people as individuals and allow maximum participation in decision-making, but also ensure that the group’s contributions are linked to the overall performance of the organizations. These managers need to function as ‘linking-pins’ between the group they manage and the management group. They need to think themselves as members of both groups because they constitute the primary communication.

 The downside of this is, of course, that middle managers my feel like the meat in the sandwich-hemmed in from both sides as they try to respond to ever increasing team and management pressure (each of which may in turn be operating under wider ranging influence such as government regulation, user and career demands or trade union views). The team leader will know exactly how that feels.

**Critique of the human relations school:**

1. Some of the researches led to unrealistic conclusions such as, the idea of handing over all problem-solving to work groups lower down the organization.
2. An overall criticism of this body of work is that, although these theorists have drawn on psychology, sociology, philosophy and anthropology, they remain located within business studies and centrally concerned with the productivity needs of organizations. At the end of the day, this is still about controlling work, not about personal issues or interpersonal relations for their own sake; it is almost as if aspects of people’s humanity are being understood only to be used against them so as to turn them into more compliant workers.

While the recognition of the need for good human relations might be a more congenial approach than the authoritarian concepts of scientific managerialism, the intention behind it is still to pursue the aim of any organization to be more effective and efficient in its use of resources and, in the private sector, to ensure a return on the investment. In other words, to make worker satisfaction and increased productivity complement each other through collaboration.

1. **The Systems Model:**

The key idea of the systems model is that each organization is both a system itself and made up of other systems, all systems tend towards an internal equilibrium, and organizations are ‘open’ systems in that they interact with their environment. A system is a collection of parts operating interdependently to achieve a common purpose.

**Eric Trist (1911-1993)** Origin of the systemic organizational model

Eric Trist with his colleagues at Tavistock Institute of Human Relations in London developed a theory of ‘open system’ which recognizes the dynamic movement in and out of organizations as well as inside them. Classical models had been constructed from observing virtually closed business systems, usually pursuing specific economic goals, had left out the ‘people factors’ as well as the external context. Organizations, though, employ and serve human beings and also operate in turbulent, ever changing fields where the outside world can be as influential as policy made internally (in social work, think of media scandals over child deaths, or government changes in welfare legislation).

Trist’s experience is based on his and his colleagues’ study on the effects of mechanization on the Durham coal mines, what is interesting to social workers is that they realized they had to put the people into the equation. They found that, if an organization was to operate effectively, its technical systems had to mesh with its social system.

Trist showed that the organization of work has social and psychological properties of its own, that is, that social and technical systems interact. In particular, he demonstrated the role of motivation in productivity and team-building. Unlike robots, people find satisfaction in finishing a whole task, controlling their own behavior, setting their own targets and in working together as a team; a comprehensive assessment, for example, is a complex piece of work in which a sophisticated professional judgment is balanced against that of other professional, the views of users and careers, and the policies and resources allocations of the employing organization.

**Key concepts in thinking about organizations as systems:**

The systems approach does not prescribe any particular organizational design rather its ideas focus on a way of understanding the structure an organization already had, the process that go on within existing structure and the way that changing particular interactions might help to work better towards its desired outcomes. Each organization can be conceptualized as a system, by analogy with a biological system such as the human body. This means that:

* It has boundaries around it.
* It is composed of sub-systems- in the body’s case, these include the respiratory and circulatory systems, and in social services they include information and financial systems.
* It interacts with other discrete systems in *super-system*- people interact with each other in societies; organizations interact with each other, for example, in a wider system of welfare, encompassing health, social care, housing, financial support…etc.
	+ Discrete system: organization
	+ Sub-system: example, ‘financial system’ within discrete system
	+ Super-system: system of welfare

But the three are sometimes called just as systems.

The boundaries around a system may be more or less open or permeable or they may be closed. Discuss the *input, throughput, output, and feedback loop*.

**Systems thinking in social work and care management:**

The systems thinking has special place in social work particularly in family therapy and ways of managing the whole organization. The managers role in the systems approach is to focus on how the subsystem(s) he or she manages relate at all the points of ‘interface’ with the larger, total system and the outside world-known as ‘boundary management’.

The system approach relates well to care management, for example, because the latter emphasizes the crucial links between commissioners and a range of external and in-house providers, as well as the important interlinking between all the different parts of the organization that deal with quality standards, complaints, contracting, budgets and so on, and other external bodies such as housing and health authorities.

**Critique of the systems model:**

* It does not give allowance to human emotions. System analysis provides an abstract description but can never lay down a strategy or guide for action or behavior. Other theories are needed for that.
* The theory is also artificially politically neutral, functionalist and normative, taking little or no account of the interplay of power dynamics within the organization.
* Like any theoretical model, systems theory is only an attempt to look at something essentially familiar in fresh ways. It does not exist in reality, so it can mislead us, and it can get in the way of other ideas. For example, the analogy with biological bodies is not at all exact. Two organizations could decide to share a subsystem without losing their distinctive identity. It will lead us to overlook some important possibilities for working in partnership.
* Systems analysis may be a force for unhealthy conservatism. It does not cope well with the big questions. It does not contain clear place for political questions such as how the system came to be the way it is, who holds the most power within or over it, why some system such in more energy (resource, personal information) than they can put to good use,…etc. in using a systems analysis to look at organizations, we need to take care not to ignore these bigger questions of power and powerlessness.
* To sum up, as organizations become bigger and complex the systems model has attempted:
	+ To offer a manageable way of thinking about them as if they are giant bodies with all their activities interacting.
	+ Show everything interacting with everything at the boundaries where they take place.
	+ Social workers are attracted by the openness, team work and interdependence in systems thinking
	+ Social workers also like the systems model the fact that a theory they may have learned for social work practice or systemic family therapy can double up for use in understanding organizations (Coulshed and Orme, 1998).
	+ The model also helped managers to think about what inputs produce the desired outputs, with a dynamic sense about process and change.
* But it is being outdone now by the sheer complexity of the scope and inner workings of many organizations.
	+ The loosely coupled sub-systems are now virtually independent, each needing to be understood on its own terms in order to understand the whole (Leigh, 1988). Example, child welfare department, social defense department, elderly department…etc in the Ministry of Women, Children and Youth Affairs.
	+ Some elements of organizational works can be outsourced to contractors and private practitioners, thus adding a further layer of complexity.

* 1. **The Management Functions:**

Management in general has the following 4 functions.

**Planning-Setting Direction**

**Organizing- Creating Structure**

**Leading- Inspiring Effort**

**Controlling-ensuring results**

1. **Planning-Setting Direction**: planning is defined as a process of setting objectives and making plans to accomplish them. Objectives are the specific results that one wishes to achieve: plans are action statements that describe how the objectives will be accomplished. Planning initiates the management process and sets the stage for further managerial effort at organizing.
	1. **Types of plan:**

***Plans vary by timeframe.***

***Plans differ in the scope or breadth of activities they represent.***

***Plans vary according to frequency or repetitiveness of use.***

***First, plans vary by timeframe.***

* + 1. As a rule of thumb, *short-range plans* cover one year or less
		2. *Intermediate-range* plans cover one to two years, and
		3. *Long-range plans* cover two to five years or more. Planning objectives will be more specific in short-range plans and more open-ended when addressing the long term.

***Second: Plans differ in the scope or breadth of activities they represent.***

* + 1. *Strategic plan* address long-term needs and see comprehensive action directions for the entire organization or major subunit. They help managers allocate resource to achieve best possible long-term results.
		2. *Operational plan* are more limited in scope and define what needs to be done to implement strategic plan.

***Third: Plans vary according to frequency or repetitiveness of use.***

* + 1. *Standing plans* are ongoing guidelines for action. Designed to cover recurring situations, they guide behavior in common directions over time. Example organizational policy, procedures and rules
		2. *Single-use plans* are used only once to meet the needs of unique situations.
	1. **Approaches to Planning:**

Inside out planning

Outside in planning

Top down planning

Bottom up planning

* + 1. Inside out planning: focuses on trying to do the best at what you are already doing.
		2. Outside-in planning; includes analysis of the external environment and making internal adjustments necessary to exploit the opportunities and minimize the problem it offers.
		3. Top-down planning
		4. Bottom-up planning
	1. **Contingency planning**

Involves identifying alternative courses of action that can be implemented if and when an original plan becomes inappropriate due to changing circumstance.

1. **Organizing- Creating Structure** as a management function; is the process of defining work tasks and arranging together people and other resources to best perform them. Once plans are created, the manager’s job is to organize things so that they can be properly implemented. Planning sets the directions; organizing creates the systems to turn plans into performance results.
	1. Organizational structure is the system or network of communication and authority that links people and groups together as they perform important tasks. It is the way the various parts of an organization are arranged to both divide up the work to be done and coordinate performance results.

From organizational structure we can learn, division of labor, supervisory relationships, communication channels, major subunits, and levels of management.

* 1. Types of organizational structure;
		1. functional structures
		2. divisional structures
		3. matrix structures
		4. team structure
		5. network structure
	2. Organizing trend in the modern workplace
		1. shorter chains of command
		2. less unity of command
		3. wider span of control
		4. more delegation and empowerment
		5. decentralization with centralization
		6. Reduced staff component.
1. **Leading- Inspiring Effort**- as a management function: leadership- the process of inspiring others to work hard to accomplish important tasks- is one of the most popular management topics. It is also one of the four functions that constitute the management process. Planning sets the direction and objectives; organizing brings the resources together to turn plans into actions; leading builds the commitments and enthusiasm needed for people to apply their talents fully to help accomplish plans; and controlling makes sure things turn out right.
2. **Controlling-ensuring results**; controlling is the process of monitoring performance and taking action to ensure desired results. As the fourth management function, its purpose is straight forward- to make sure that actual performance meets or surpasses objectives. Planning sets the direction and allocate resources; organizing brings people and materials resources together to do the work; leading inspires people to best utilize these resources; controlling sees to it that the right things happen, in the right way, at the right time.

**Session Three: Leadership**

1. **Leadership**
	1. **Definition of leadership**

Leadership is the ability to inspire confidence and support among the people who are needed to achieve organizational goals. Several other definitions of leadership are as follows:

* Interpersonal influence, directed through communication toward goal attainment
* The influential increment over and above mechanical compliance with directions and orders
* An act that causes others to act or respond in a shared direction
* The art of influencing people by persuasion or example to follow a line of action
* The principal dynamic force that motivates and coordinates the organization in the accomplishment of its objectives.
* A willingness to take the blame

**Leadership as a partnership:**

An important current thrust in understanding leadership is to regard it as a long term relationship, or partnership. According to **Peter Block**, in a partnership the leader and the group members are connected in such a way that the power between them is approximately balanced. He further described partnership as the opposite of parenting (in which one person-the parent- takes the responsibility for the welfare of the other-the child).

Partnership occurs when control shifts from the leader to the group members, in a move away from authoritarianism and toward shared decision making. Four things are necessary for a valid partnership to exist:

1. Exchange of purpose: every person at any level in a group is responsible for defining vision and mission. Through dialogue with other people the leader helps articulate a widely acceptable vision.
2. A right to say no: people who express contrary opinion will be punished runs contrary to a partnership.
3. Joint accountability: in a partnership, each person is responsible for outcomes and the current situation. Each person takes responsibility for the success and failure of the organizational unit he/she belongs.
4. Absolute honesty: not telling the truth to one another is an act of betrayal. When power is distributed, people are more likely to tell the truth because they feel less vulnerable.

Looking at leadership as a partnership is important also because it is linked to an optimistic view of group members referred to as stewardship theory. This theory depicts group members (or followers) as being collectivists, pro-organizational, and trustworthy. A collectivist is a person who is more concerned about the welfare of the group than about his or her personal welfare.

Leadership versus Management:

Leader’s roles:

1. **Figure head**:
	1. Entertaining clients or customers as an official representative of the organization
	2. Making oneself available to outsiders as a representative of the organization
	3. Representing the organization at other organizations and forums
	4. Escorting official visitors
2. **Spokes person**: as a spokesperson, a managerial leader keeps five groups of people informed about the unit’s activities, plans, capabilities, and possibilities (vision).
	1. Upper-level management
	2. Clients or customers
	3. Other important outsiders such as labor union
	4. Professional colleagues
	5. The general public
3. **Negotiator**: three negotiating activities of a leader are:
	1. Bargaining with supervisors for funds, facilities, equipment, or other forms of support
	2. Bargaining with other units in the organization for the use of staff, facilities, equipment, or other forms of support.
	3. Bargaining with suppliers and vendors for services, schedules, and delivery times
4. **Coach**: an effective leader takes the time to coach team members. Specific behavior in this role include
	1. Informally recognizing team members’ achievements
	2. Providing team members with feedback concerning ineffective performance
	3. Ensuring that team members are informed of steps that can improve their performance
5. **Team builder**: a key aspect of leaders’ role is to build an effective team. Activities contributing o this role include:
	1. Ensuring that team members are recognized for their accomplishments, such as through letters of appreciation
	2. Initiating activities that contribute to group morale, such as giving parties and sponsoring sports teams.
	3. Holding periodic staff meetings to encourage team members to talk about their accomplishments, problems and concerns
6. **Team player**: related to the team builder role is that of the team player. Three behaviors of team players are:
	1. Displaying appropriate personal conduct
	2. Cooperation with other units and staff in the organization
	3. Displaying loyalty to superiors by supporting their plans and decisions fully
7. **Technical problem solver**: two activities contribute to this role
	1. Serving as a technical expert or advisor
	2. Performing individual contributor tasks on a regular basis, such as making sales calls or repairing machinery
8. **Entrepreneur**: although not self-employed, managers who work in large organizations have some responsibility for suggesting innovative ideas or furthering the business aspects of the firm. Three entrepreneurial leadership role activities are:
	1. Reading trade publications and professional journals to keep up with what is happening in the industry and profession
	2. Talking with customers or others in the organization to keep aware of changing needs and requirements
	3. Getting involved in situation outside the unit that could suggest ways of improving the unit’s performance, such as visiting other firms, attending professional meetings or trade shows, and participating in educational programs.
9. **Strategic planner**: setting out the strategic planner role enables the manager to practice strategic leadership. Specific activities involved in this role include:
	1. Setting a direction for the organization
	2. Helping the firm deal with the external environment
	3. Helping develop organizational policies
	4. **Leadership Characteristics**

**A Framework for Understanding Leadership:**

The framework presented here focuses on the major sets of variables that influence leadership effectiveness. The basic assumption underlying the framework can be expressed in terms of a simple formula with a profound meaning: L= f(l, gm, s). The formula means that the leadership process is a function of the leader, group members (or followers), and other situational variables. In other words leadership does not exist in the abstract but takes into account factors related to the leader, the person or persons being led, and a variety of forces in the environment.

Leadership can be best understood (according to this model), by examining its key variables: leader characteristics and traits, leader behavior and style, group member characteristics, and the internal and external environment.

Leader characteristics and traits

Group member characteristics

Internal and external environment

Leader behavior and style

Leadership Effectiveness

Leadership effectiveness refers to attaining desirable outcomes such as productivity, quality, and satisfaction in a given situation.

Leadership effectiveness:

Refers to attaining desirable outcomes such as productivity, quality, and satisfaction in a given situations. Whether or not a leader is effective depends on the four sets of variables defined below.

1. Leader characteristic and traits:

Refers to the leader’s inner qualities, such as self-confidence and problem-solving ability that helps a leader function effectively in many situations

1. Leader behavior and style:

Refers to the activities engaged in by the leader, including his or her characteristic approach that relate to his or her effectiveness. A leader who frequently coaches group members and practices participative leadership, for example, might be effective in many circumstances.

1. Group member characteristics:

Refers to attributes of the group members that could have a bearing on how effective the leadership attempt will be. Intelligent and motivated group members, for example, facilitate the leader’s doing an outstanding job.

1. Internal and External Environment:

Environment influences leadership effectiveness. A leader in a culturally diverse environment, for example, will need to have multicultural skills to be effective.

* 1. **The Evolution of Leadership (Daft, 63-113)**

The evaluation of leadership is discussed as it works at macro or micro level and in stable and chaotic environmental conditions. The micro level leadership concerns specific situations, tasks and individuals. The leader has detail knowledge about work process and behaviors needed to reach certain goals. The macro level leadership transcends individuals, groups and specific situations to focus on whole communities. Macro leadership deals with fundamental ideals, values and strategies.

The stable and chaotic dimension deals with whether elements in the environment are dynamic. Under this situation environment elements constantly change. The appearance of new product poses aggressive competition in the market, promotional activities and countermoves. Small events can have small consequences and it is difficult to predict tomorrow.

The framework for discussing the evolution of leadership has considered four eras.

**Era 1. Macro leadership in a stable world** (Pre-industrial and Pre-bureaucratic): this was the time where most organizations were very small and were run by individuals who hire friends or relatives and not necessarily because of their skills or qualifications. The size of organization and the stable nature of the environment made it possible to manage by one leader; to have a personal vision, acquire resources, coordinate all activities, and keep things on track. This is the era of a “Great man” leadership.

**Era 2. Micro leadership in a stable world:** witnesses the emergence of hierarchy and bureaucracy. Organizations required rules and standard procedures to ensure that activities can be performed in an efficient and effective manner. Hierarchy of authority provides a sense of mechanism for supervision and control of workers. This is the time of the ideas on “scientific management and “functions of management” take a firm root based on the principles of engineering efficiency and control. This is the era of the “rational manager” who directs and controls others using an impersonal approach. The rational manager is well suited to a stable environment in which things could be taken apart and analyzed.

**Era 3. Micro leadership in a chaotic world**: the prized techniques of rational management were no longer working. This was an era of confusion for management. Japanese were dominant in world commerce with their idea of team leadership and superb quality products. Managers were overwhelmed as they were expected to drop the traditional vertical hierarchy and management control and move to the notion of horizontal organization, leadership of cross functional teams and to learn to empower their employees. Organizations tried team-based approaches, reorganizing, downsizing, and empowerment to improve performance. It was however challenging for most managers to give up controlling and how to act as coaches instead of bosses.

**Era 4. Macro Leadership in a Chaotic World**: prepares the facilitator leader. Such leader gave up control to the traditional leadership. Leaders learn to influence others through relationships. Managers learn to think in terms of “control with” others rather than “control over” others. Leaders tried to create learning organizations in which each person is intimately involved in identifying and solving problems so that the organization continues to grow and change to meet new challenges. The leadership goes far beyond the rational management or even team leadership. Leaders learn to control with others by building relationship based on a shared vision and shaping the cultures that can help achieve it. Leaders are servants who devote themselves to others and to the organization’s vision.

 **Environment**

 **Stable Chaotic**

|  |  |  |
| --- | --- | --- |
|   Micro Scope  | Era 2. Rational Management * Behavioral theories
* Contingency theories

Setting * Vertical hierarchy, bureaucracy
* Five management functions *(planning, organizing, leading; staffing &directing, controlling)*
 | Era 3. Team leadership* Confusion
* Empowerment
* Quality

Setting * Horizontal organization
* Cross-functional teams
* Downsizing
 |
|  Macro  | Era 1. Great Man Leadership* Trait Theories

Setting * Pre-bureaucratic organization
* Administrative principles
 | Era 4. Facilitating Leadership* Shared vision, alignment, relationships
* Unlock personal qualities in others

Setting * Learning organizations
* Constant change, adaptation
 |

Source: Bob Lengel. Adapted with permission of the publisher from Richard I. Daft and Robert H. Lengel, Fusion leadership: Unlocking the Subtle Forces that Change People and Organizations, 1998, Berrett-Koehler Publishers, Inc. San Francisco, CA. All rights reserved

* 1. **Research Perspectives on Individual Leadership**

**Traits, Behaviors, and Relationships:**

1. **The Trait Approach**:

Early efforts to understand leadership success focused on the leader’s traits. Traits are the distinguishing personal characteristics of a leader, such as intelligence, values, self-confidence, and appearance. Fundamental to this theory are that people are born with traits that make them natural leaders. The Great Man Approach sought to identify the traits leaders possessed that distinguished them from people who were not leaders. Generally, research found only a weak relationship between personal traits and leaders’ success.

Researchers examined personality traits such as creativity and self-confidence, physical traits such as age and energy-level, abilities such as knowledge and fluency of speech, social characteristics such as popularity and sociability, and work-related characteristics such as the desire to excel and persistence against obstacles.

Stogdill (1948) identified traits consistently appeared with effective leadership which includes willingness to assume a position, he also concluded that several traits could appear related to effective leadership but it is important to see the leadership relative to the existing situation. He said that the trait of creativity is less viable in a highly bureaucratic organization than in a situation in which an entrepreneur is developing a new business.

Others also added the essentiality of leadership traits but effectiveness should be seen only in combination with additional three factors; ***Self-confidence, Honesty/Integrity and Drive***.

Self-confidence: refers to the degree to which one is self-assured in his or her own judgments, decisions making, ideas and capabilities. Leaders with self-confidence initiate change, takes risk, displays certainty about his/her ability, gains respect and admiration from followers and builds commitment.

Honesty/Integrity: Honesty refers to truthfulness and non deception. Integrity implies that one is whole, nurtures followers trust by modeling them through daily action and that the words of a leader will never contradict with the actions. Successful leaders are easy to trust and are highly consistent.

Drive: is high motivation that is revealed through a high effort level of a leader. Leaders with drive seek achievement, have energy and tenacity, and are frequently seen to have ambition and initiative to achieve their goals. Ambition enables them to set challenging goals and to take initiative to achieve those goals.

1. **Behavior Approaches**:

This approach says that anyone with appropriate behavior can be a good leader. It says behavior can be easily learned more readily than traits that a particular leader possesses enabling the leader accessible to all.

* 1. Autocratic versus Democratic Leadership: in early times, leaders were considered either as autocratic or democratic. A study by Kurt Lewin and his associates at Iowa State University study came up with the following result.

**Autocratic**: leader is one who tends to centralize authority and derive power from position, control of rewards, and coercion. Employees work as long as the leader is there. Employees reveal frequent feeling of discontent, hostility and unpleasantness to the leader.

**Democratic** Leader delegate’s authority to others, encourages participation, relies on subordinates’ knowledge for completion of tasks, and depends on subordinate respect for influence. Leaders train and involve employees so that they can participate and employees are characterized by positive feelings rather than hostility; they perform well in the presence or absence of the leader.

However, in later developments Tannenbaum and Schmidt indicated that leadership behavior could exist in a continuum. Thus, one leader might be autocratic, another democratic, and a third a mix of the two styles.

The study from Iowa State University indicated that leadership behavior had a definite effect on outcomes such as follower performance and satisfaction. Equally important was the recognition that effective leadership was reflected in behavior, not simply by what personality traits a leader possessed.

**The Autocratic-participative-Free-Rein Continuum**

*Amount of Authority Held by the Leader*

Autocratic Style

Free-Rein Style

Participative

Consultative

Consensus

Democratic

*Amount of Authority Held by Group Members*

A synonym for free rein is laissez-faire, a French term meaning “let them do”. Leadership is given to group members indirectly. They are given free rein to figure out how to perform it best. The leader does not get involved unless requested. Team members are allowed all the freedom they want as long as they do not violate policy. In other words, the free-rein leader delegates completely.

* 1. Ohio State University: two major categories of leader’s behavior types are identified by their study
		1. Consideration: the extent to which the leader is sensitive to subordinates, respects their ideas and feelings, and established mutual trust. Showing appreciation, listening carefully to problems, and seeking input from subordinates regarding important decisions are all examples of consideration behaviors.
		2. Initiating Structure: the extent to which a leader is task oriented and directs subordinates work activities toward goal achievement. The behavior includes directing tasks, working people hard, planning, providing explicit schedules for work activities, and ruling with an iron hand.
	2. University of Michigan Studies. The Michigan researchers established two types of leadership behavior, each type consisting of two dimensions:
		1. Employee-centered: leaders focus on the human need of their subordinates. Leader support and interaction facilitation are the two underlying dimensions of employee-centered behavior. In addition to supporting employees, they facilitate positive interaction among followers and minimize conflicts.
		2. Job-centered: directs activities towards efficiency, cost-cutting, and scheduling. Goal emphasis and work facilitation are dimensions of the leadership behavior. By focusing on reaching task goals and facilitating the structure of tasks, job-centered behavior approximates that of initiating structure. *The studies however, acknowledged that often the behaviors of goal emphasis, work facilitation, support, and interaction facilitation can be meaningfully performed by a subordinate’s peers,* rather than only by the designed leader.
	3. University of Texas proposed a two dimensional leadership theory called **The Leadership Grid** that builds on the work of the Ohio State and Michigan studies. They rated leaders on a scale of one to nine according to two criteria: the concern for people and the concern for production.

**THE LEADERSHIP GRID’S FIGURE**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **High**  | **9** | **(1, 9)** **Country club management**: Thoughtful attention to the needs of people for satisfying relationships leads to a comfortable, friendly organization atmosphere and work tempo. |  | **(9, 9)** **Team management**: work accomplishment is from committed people: interdependence through a common stake in organization purpose leads to relationships of trust and respect.  |
| **Concern** **for** **people**  | **8** |
| **7** |
| **6** |  | **(5, 5)** **Middle of the road management**: adequate organization performance is possible through balancing the necessity to get out work with maintain morale of people at a satisfactory level.  |  |
| **5** |
| **4** |
| **3** | **(1, 1)** **Impoverished management**: exertion of minimum effort to get required work done is appropriate to sustain organization membership.  |  | (**9, 1) Authority compliance** management: efficiency is operations result from arranging conditions of work in such a way that human elements interfere to a minimum degree.  |
| **2** |
| **1** |
| **Low**  | **0** | **1 2 3** | **4 5 6** | **7 8 9**  |
|  |  | **Low**  |  |  **High**  |
|  |  | **Concern for results** |

9,9

1, 9

5,5

1,9

 9 + 9

9,1

**9+9: Paternalism/Maternalism**: Reward and approval are bestowed to people in return for loyalty and obedience; failure to comply leads to punishment

9,1

1,1

***In opportunistic*** *Management: people adapt and shift to any grid style needed to gain the maximum advantage. Performance occurs according to a system of selfish gain. Effort is given only for an advantage for personal gain.*

Theories of a “high-high” leadership: the findings about two underlying dimensions and the possibility of leaders rated high on both dimensions raises four questions to think about.

1. Whether these two dimensions are the most important behaviors of leadership. Certainly, these two behaviors are important.
2. Whether people orientation and task orientation exist together in the same leader, and how. The Grid theory argues that ‘yes’, both are present when people work with or through others to accomplish an activity. Leaders may be high on either style, there is considerable belief that the best leaders are high on both behaviors.
3. Whether a “high-high” leadership style is universal or situational. Universal implies the behavior will tend to be effective in every situation, while situational means the behavior succeeds only in certain settings. The answer is yes, the leader behavior of concern for people tended to be related to higher employee satisfaction and fewer personnel problems across a wide variety of situations. Likewise, task-oriented behavior was associated with high productivity across a large number of situations.
4. Whether people can actually change themselves into leaders high on people and/or task-orientation. The answer is yes based on the preference of the person he/she can learn new leadership behavior. However, there is a general belief that high-high leadership is a desirable quality, because the leader will meet both needs simultaneously.

|  |
| --- |
| **THEME OF LEADER BEHAVIOR RESEARCH** |
|  | **People Oriented**  | **Task Oriented** |
| Ohio State University | Consideration  | Initiating Structure |
| University of Michigan  | Employee-Centered  | Job-Centered  |
| University of Texas  | Concern for People  | Concern for Production |

* 1. **Dyadic Approach:** they believe that trait and behavior theories oversimplify the relationship between leaders and subordinates. They focus on the concept of exchange between a leader and a follower, a relationship known as a dyad. Dyadic theory involves a perspective that examines why leaders have more influence over and greater impact on some followers than on other followers. They argue that leaders do not uniformly broadcast a trait such as self-confidence or a behavior such as people-orientation that is received equally by each subordinate. They argue that a single leader will form different relationships with different followers. Four stages of specific relationship in each leader-subordinate dyad is proposed:

***Stages of Development of Dyadic Approach:***

* + 1. **Vertical Dyadic Linkage Model**: leaders’ behaviors and traits have different impacts across individuals creating in-groups and out-groups. It is important to be aware of a relationship between a leader and each subordinate, rather than between a leader and a group of subordinates.

Some subordinates might report a leader and their relationship with the leader, as having a high degree of mutual trust, respect, and obligation. Others might report a low quality relationship with the leader, such as having a low degree of trust, respect, and obligation perceiving the leader low on important leadership behavior. Based on these two extreme exchange patters, subordinates were found to exist in an “in-group” and “out-group” in relation to the leader.

* + 1. **Leader-Member Exchange**: Leadership is individualized for each subordinate. Each dyad involves a unique exchange independent of other dyads. This stage examines specific attributes of the exchange between leader and subordinate. On the Leader-Member Exchange, they studied that the impact on outcome depended on how the leader-member exchange developed overtime. They explored such things as communication frequency, value agreement, and characteristics of followers, job satisfaction, performance, job climate, and commitment. Three stages were identified in the stages of leader-member relationship:
			1. The leaders and followers at initial stage, as strangers, tested each other to identify what kinds of behaviors were comfortable.
			2. The leader and member acquainted, they engage in shaping and refining the roles they would play together.
			3. As the role reaches maturity, the relationship attained a steady pattern of behavior. Leader member exchanges were difficult to change at this point. The exchange tended to determine in-group and out-group status.
		2. **Partnership Building**: Partnership building leaders can reach out to create a positive exchange with every subordinate. Doing so increases performance. The third stage explores whether leaders could intentionally develop partnerships with each subordinate. The emphasis is not about knowing how or why discrimination among subordinates occurred rather on how to develop beneficial relationship so that more equitable environment could be created that brings greater benefit to leaders, followers and the organization.

The leader views each person independently but may treat each individual in a different but positive way. This is called individualized leadership and leaders develop positive relationship with each subordinate. The leader develops positive relationship on one-on-one with each subordinate and as these relationships mature, the entire workgroup becomes more productive. Leaders provided support, encouragement, and training, and followers participated, influence decision, and responded with high performance.

* + 1. **Systems and Networks**: leader dyads can be created in all directions across levels and boundaries to build networks that enhance performance. It is about whether the view of dyads can be expanded to include larger systems and network. This perspective proposes that leaders’ dyads can be expanded to the larger system and discusses about how dyadic relationships can be created across traditional boundaries to embrace a larger system. In this view, leaders’ relationships are not bound to subordinates, but include peers, teammates, and other stakeholders relevant to the work unit. The theory suggests the need for leaders to build networks of one-to-one relationships and to use their traits and behaviors selectively to create positive relationships with as many people as possible.

Questions:

Do you think a leader should develop an individualized relationship with each follower? What are the advantage and disadvantages to these approaches?

What is the difference between the trait theories and behavioral theories of leadership?

* 1. **The personal side of Leadership**

 (Daft, 1999, pp 333-355; Dubrin, 2001, pp59-85)

* + 1. *Charismatic Leadership*

Charisma is a Greek word meaning divinely inspired gift. Charisma is difficult to define, but involves mental and emotional intensity. It has been called “a fire that ignites followers’ energy and commitment, producing results above and beyond the call of duty”. In the study of leadership, **Charisma** is a special quality of leaders whose purposes, powers, and extraordinary determination differentiate them from others. It is a positive and compelling quality of a person that makes many others what to be led by him/her. The following are some of the definition of Charisma and Charismatic Leadership

* a certain quality of an individual personality by virtue of which he or she is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities.
* A devotion to the specific and exceptional sanctity, heroism, or exemplary character of a n individual person, and of the normative pattern revealed or ordained by that person
* Endowment with the gift of divine grace.
* The process of influencing major changes in the attitudes and assumptions of organization members, and building commitment for the organization’s objectives.
* Leadership that has a magnetic effect on people
* In combination with individualized consideration, intellectual stimulation, and inspirational leadership, a component of transformational leadership.

Charismatic leaders work deliberately at cultivating the relationship with group members through impression management. In other works, they take steps to create a favorable, successful impression. William L. Gardner and Bruce J. Avolio gave the following two interpretations to explain how charismatic leaders use impression management to remain charismatic to their constituents.

1. Charismatic leaders, to a greater extent than non-charismatic leaders, value and pursue an interrelated set of images-trustworthy, credible, morally worthy, innovative, esteemed, and powerful. Constructing and maintaining these images in the minds of followers is essential for the leader’s charismatic image.
2. Charismatic leaders, to a greater extent than non-charismatic leaders, use the assertive impression management strategies of exemplification and promotion to secure and maintain desired identity image of their selves, vision, and organization.

Charismatic leadership is possible under certain condition. The beliefs of the constituents must be similar to those of the leaders, and unquestioning acceptance of and affection for the leader must exist. The group members must willingly obey the leader, and they must be emotionally involved both in the mission of the charismatic leader and in their own goals. Finally, the constituents must have a strong desire to identify with the leader.

*The Effects of Charisma as defined by theory of Charismatic leadership:*

|  |  |
| --- | --- |
| ***Effects of Charisma (Robert J. House’s)*** | ***Dimensions of Charisma (Jane A. Halpert)***  |
| 1. Similarity of group members’ beliefs to those of the leader
2. Identification with and emulation of the leader
3. Affection for the leader
 | ***Referent power*** (ability to influence others because of the leader’s desirable traits and characteristics) |
| 1. Group member trust in the correctness of the leader’s beliefs
2. Unquestioning acceptance of the leader
3. Willing obedience to the leader
 | ***Expert power*** (ability to influence others because of one’s specialized knowledge, skills or abilities) |
| 1. Emotional involvement of the group members or constituents in the mission
2. Heightened goals of the group members
3. Feeling on the part of group members that they will be able to accomplish or contribute to, the accomplishment of the mission.
 | ***Job involvement*** (perceptions related to task or mission. Job related effects are concerned with job involvement) |

In summary, the nine charismatic effects in Houses’ theory can be reduced to three dimensions: referent power, expert power and job involvement. Such information is useful for the aspiring charismatic leader. To be a charismatic, one must exercise referent power and expert power and must get people involved in their jobs.

Types of charismatic leaders:

Charismatic leaders can be categorized into five types.

1. A socialized charismatic is a leader who restrains the use of power in order to benefit others. This type of leader also attempts to develop value congruence between himself or herself and constituents. The socialized charismatic formulates and pursues goals that fulfill the needs of group members and provide intellectual stimulation to them. Followers of socialized charismatic are autonomous, empowered, and responsible.
2. A personalized charismatic. This type of individual exercises few restraints on their use of power so they may best serve their own interests. Personalized charismatics impose self-serving goals on constituents, and they offer consideration and support to group members only when it facilitates their own goals. Followers of personalized charismatics are typically obedient, submissive, and dependent.
3. The Office-holder charismatic. For this type of leader, charismatic leadership is more a property of the office occupied than of his or her personal characteristics. By occupying a valuable role, office-holder charismatic attain high status. Office-holder charisma is thus a byproduct of being placed in a key position.
4. Personal charismatic. This type of leader gain very high esteem through the extent to which others have faith in them as people. A personal charismatic exerts influence whether he or she occupies a low-or high-status position because he or she has the right traits, characteristics, and behavior.
5. The divine charismatic. Originally, charismatic leadership was a theological concept: A divine charismatic is endowed with a gift of divine grace. In 1924 Max Weber defined a charismatic leader as a mystical, narcissistic, and personally magnetic savior who would arise to lead people through a crisis.

Some characteristics of charismatic leaders

1. They are visionary because they offer an exciting image of where the organization is headed and how to get there
2. Have masterful communication skills. They use colorful languages to inspire people and exciting metaphors and analogies.
3. Have the ability to inspire trust. Constituencies believe so strongly in the integrity of charismatic leaders that they will risk their career’s to pursue the chief’s vision.
4. They are able to make group members capable. One technique for helping group members feel more capable is to enable them to achieve success on relatively easy projects. The leader then praises the group members and gives them more demanding assignment.
5. Have an energy and action orientation. Like entrepreneurs, most charismatic leaders are energetic and serve as role models for getting things done on time.
6. Have emotional expression and warmth. They have the ability to express feelings openly. Non verbal emotional expressiveness, such as warm gestures and frequent (non sexual) touching of group members, is also their characteristics.
7. They romanticize risk. They enjoy risk so much that they feel empty in its absence. As great opportunists, charismatic people yearn to accomplish activities others have never done before. Risk taking adds to a person’s charisma because others admire such courage. They use unconventional strategies to achieve success.
8. Have a self-promoting personality. They frequently tool their own horn and allow others to know how important they are.
9. They challenge, prod, and poke. They test your courage and your self-confidence.

**Concerns About Charismatic Leadership**

Does charisma result effective leadership or people who are outstanding leaders are granted charisma (perceived as charismatic) by their constituents as a result of their success?

The concept of charismatic leadership has been challenged from two major stand points: the validity of the concept, and the misdeeds of charismatic leaders. Charisma can be a curse as well as a blessing. Leaders such as Winston Churchill, John F. Kennedy, and Mohandas Gandhi, Martin Luther King exhibited tremendous charisma. So did leaders such as Adolf Hitler, Charles Manson, and Idi Amin, Mengistu H/Mariam. Charisma is not always used to benefit the group, organization, or society. It can also be used for self serving purposes, which leaders to deception, manipulation, and exploitation of others.

* + 1. ***Transactional Leadership***

This is an exchange process between the leader and followers. The whole effort of the leader is to address the needs of employees so that in exchange they will work to achieve performance goals of the organization. Followers receive rewards for their achievement and leaders benefit from the completion of tasks. Leadership is a series of economic and social transactions to achieve specific goals. Transactional leaders are good at traditional management functions of planning, budgeting, controlling and attaining organizational mission and goal. They are good at meeting follower’s expectation, building confidence of followers, improving productivity and morale. However, since their motto is commitment to “follow-the rules” transactional leaders often maintain stability within the organization rather than promoting change. Transactional skills are important for all leaders, but when an organization needs change, a different type of leadership is needed.

* + 1. ***Transformational Leadership***

The focus on transformational leadership is on what the leader accomplishes, rather than on the leader’s personal characteristics and relationship with group members. The transformational leader helps bring about major, positive changes. To explain further, the transformational leader moves group members beyond their self-interests for the good of the group, organization, or society. In contrast, transactional leader focuses on more routine transactions with an emphasis on rewarding group members for meeting standards (contingent reinforcement).

Transformational leaders have the ability to lead changes in the organization’s vision, strategy, and culture as well as promote innovation in products and technologies. They do not use tangible incentives to control specific transactions with followers. Instead, they focus on intangible qualities such as vision, shared values, and ideas in order to build relationships, give larger meaning to diverse activities, and find common ground to enlist followers in the change process. Transformational leadership is based on the personal values, beliefs, and qualities of the leader rather than on an exchange process between leaders and followers. They differ from transactional leadership in four significant areas.

1. *Transformational leadership develops followers into leaders*. Followers have the freedom to control their own behavior. The leader rallies people around a mission and defined the boundaries within which followers can operate in relative freedom to accomplish organizational goals. Followers are motive to take initiatives and solve problems and to look at things in new ways.
2. *Transformational leadership elevates followers’ concerns from lower-level physical needs (such as for safety and security) to higher-level psychological needs (such as for self-esteem and self-actualization).* It is important that followers’ lower level needs are met through adequate wages, safe working conditions, and other consideration. The transformational leader pays attention to each individual’s need for growth and development. The leader sets examples and speaks to followers’ higher needs. Followers’ abilities are challenged and linked to the organization’s mission. Transformational leader appeal to followers in a way that challenges and empowers them to change the organization.
3. *Transformational leadership inspires followers to go beyond their own self-interests for the good of the group.* Transformational leadership motivates the group to do more than originally expected. Followers admire leaders, identify with them, and have a high degree of trust in them. However, transformational leadership motivates people not to follow the leader personally but to believe in the need for change and be willing to make personal sacrifices for the greater purpose.
4. *Transformational leadership paints a vision of a desired future state and communicates it in a way that makes the pain of change worth the effort.* The most significant role may be to find a transformation vision that is significantly better than the old way, and to enlist others in achieving the dream. It is vision that launches people into action and engages the commitment of followers. Change can occur when people have a sense of purpose as well as a desirable picture of where the organization is going. Without vision, there will be no transformation.

How does transformation take place?

The Eight Stage Model of Planned Organizational Change

1. *Leaders establish a sense of urgency that change is really needed*. Crisis or threats will thaw resistance to change. Leaders assess external and internal environment of the organization. After identifying potential crises or problems, they find ways to communicate the information broadly and dramatically.
2. *Establishing a coalition with enough power to guide the change process* and then developing a sense of team work among the group. For the change process to succeed there must be a shared commitment to the need and possibilities for organizational transformation.
3. *Developing a vision and strategy.* Leaders are responsible for formulating and articulating a compelling vision that will guide the change effort, and developing the strategies for achieving that vision. A ‘picture’ of a highly desirable future motivates people to change.
4. *Leaders take every means possible to communicate the vision and strategy*. At this stage, the coalition of change agents should set an example by modeling the new behaviors needed from employees. Transformation is impossible unless a majority of people in the organization are involved and willing to help, often to the point of making personal sacrifices.
5. *Empowering employees throughout the organization to act on the vision*. This means getting rid of obstacles to change, which may require revising systems, structures, or procedures that hinder or undermine the change effort. People are empowered with the knowledge, resources, and discretion to make things happen.
6. *Leaders generate short-term wins*. Leaders plan for visible performance improvements, enable them to happen, and celebrate employees who were involved in the improvements. Major change takes time, and a transformation effort loses momentum if there are no short-term accomplishments that employees can recognize and celebrate.
7. *Builds on the credibility achieved by short-term wins to consolidate improvements,* tackle bigger problems, and create greater change. Leaders change systems, structures, and policies that do not fit the vision but have not yet been confronted. They hire, promote, and develop employees who can implement the vision for change.
8. *Institutionalizing the new approaches in the organizational culture.* This is the follow through stage that makes the change stick. Old habits, values, traditions, and mind-sets are permanently replaced. New values and beliefs are instilled in the culture so that employees view the changes not as something new but as a normal and integral part of how the organization operates.

What are the focuses of change?

1. Strategy and structure change; policies, reward systems, coordination, control systems and so forth in addition to the structure or strategic focus.
2. Technology change; production processes including knowledge and skill base, that enable distinctive competence. It includes change in work methods, equipment, and work flow designed to make production more efficient or to produce greater volume.
3. Product and service change; new products and services are designed to increase market share and develop new markets.
4. Culture change; values, attitudes, expectations, beliefs, and behaviors of employees.
5. Raising people’s awareness: transformational leader makes groups members aware about the need for change and the rewards accompanying these changes.
6. Helping people look beyond self-interest. Helps group members to look the ‘bigger picture’ for the sake of the team and the organization
7. Helping people search for self-fulfillment. Helping group members go beyond a focus on minor satisfactions to a quest for self-fulfillment.
8. Helping people understand the need for change. Change may demand dislocation and discomfort. But the transformational leader must understand this emotional component to resisting change and deals with it openly. Must help people to become unhooked from the past.
9. Investing managers with a sense of urgency. To create the transformation, the leader assembles a critical mass of managers and imbues in them the urgency of change. The managers must also share the top leader’s vision of what is both necessary and achievable.
10. Committing to greatness. By adopting the greatness attitude, leaders can ennoble human nature and strengthen societies. Greatness encompasses striving for effectiveness, efficiency and business success.
11. Adopting a long range perspective and at the same time observing organizational issues from a broad rather than a narrow perspective. The leader helps people to have future orientation so that transformation can take place.

There are four key qualities of transformational leaders. (Dubrin, 2001)

1. They are charismatic. They have a vision and a sense of mission, and they have the respect, confidence, and loyalty of group members. As a result of experiencing a bond of identification with such leaders, many group members have faith, pride, enthusiasm, and a trust in what they are attempting to accomplish.
2. They practice inspirational leadership. By giving emotional support and making emotional appeals, transformational leaders inspire group members to exceed their initial expectations.
3. They provide intellectual stimulation. Encouraging group members to examine old problems or methods in new ways. The transformational leader creates an atmosphere that encourages creative thinking and intuition. At the same time, emphasizes methodical problem solving, rethinking, reexamining assumptions, and the use of careful reasoning rather than giving unsupported opinions. The net result of intellectual stimulation is that group members are willing to submit even fanciful ideas.
4. Demonstrate individualized considerations by giving personal attention to group members. Employees are treated as individuals and receive special attention regarding their individual concerns. The transformational leader invests in one-on-one communication with group members and listens to them carefully, thereby helping them to feel respected. The leader emphasizes the personal development of group members by such thing as taking to them about career goals and developmental opportunities.

Leadership Mind:

The leader’s mind can be developed beyond the non-leader in five critical areas:

1. Independent thinking: means questioning assumptions and interpreting data and events according to one’s own beliefs, ideas, and thinking, not according to pre-established rules, routines, or categories defined by others. People who think independently are willing to stand apart, to have opinions, to say what they think, and to determine a course of action based on what they personally believe rather than on what other people think. To think independently means staying mentally alert, thinking critically, being mindful rather than mindless. Mindfulness can be defined as the process of continuously reevaluating previously learned ways of doing things in the context of evolving information and shifting circumstances.
2. Open mindedness: open-mindedness. One approach to independent thinking is to try to break out of the mental boxes, the categorized thinking patterns we have been conditioned to accept as correct. Mind potential is released when we open up to new ideas and multiple perspectives, when we can get outside our mental box. Leaders have to forget many of their conditioned ideas to be open to new ones. This openness-putting aside preconceptions and suspending beliefs and opinions- can be referred to as “beginner’s mind”. Whereas the expert’s mind rejects new ideas based on past experience and knowledge, the beginner’s mind reflects the openness and innocence of a young child just learning about the world. Effective leaders strive to keep open minds and cultivate an organizational environment that encourages curiosity.
3. *Systems thinking:* means seeing patterns in the organizational whole instead of just the parts, and learning to reinforce or change systems patterns. Traditional managers have been trained to solve problems by breaking things down into discreet pieces, and the success of each piece is believed to add up to the success of the whole. Systems’ thinking enables leaders to look for patterns of movement over time and focus on the qualities of rhythms, flow, direction, shape, and networks of relationships that accomplish the work of an organization. Systems’ thinking is a mental discipline and framework for seeing patterns and interrelationships. An important element of systems thinking is to discern circles of causality. It is argued that reality is made up of circles rather than straight lines. The other element of systems thinking is learning to influence the system with reinforcing feedback as an engine for growth or decline.
4. Mental models: are the deep-seated assumptions, beliefs, blind spots, biases, and prejudices that determine how leaders make sense of the world. Mental models govern the actions leaders take in response to situations. Someone who has the assumption that people are untrustworthy will act very differently in a situation than someone who assumes people are trustworthy. When leaders are not aware of their own biases and mental models, they have the potential to make serious mistakes. In a time of rapid change, many leaders are still trapped in mental models based on circumstances that no longer exist. To help organizations survive in today’s rapidly changing global environment, leaders have to break out of outdated mental models or paradigms.
5. Personal mastery: Peter Senge uses the term personal mastery to describe the discipline of personal growth and learning, of mastering yourself in a way that facilitates your leadership and achieves desired results. Organizations can grow and learn only when the people who make up the organization are growing and learning.

Personal mastery embodies three qualities-- personal vision, facing reality, and holding creative tension.

**First**: leaders engaged in personal mastery know and clarify what is important to them. They have clear vision of a desired future, and their purpose is to achieve that future. One element of personal mastery, then, is the discipline of continually focusing and defining what one wants as their desired future and vision.

**Two**: facing reality means a commitment to the truth. Leaders are relentless in uncovering the mental model that limit and deceive themselves and are willing to challenge assumptions and way of doing things. These leaders are committed to the truth and will break through denial of reality in themselves and others. Their quest for truth leads to a deeper awareness of themselves and of the larger systems and events within which they operate. This increases the opportunity to achieve the desired results.

**Third**: often there is wide gap between one’s vision and the current situation. The gap between the desired future and today’s reality can be discouraging. But the gap is the source of creative energy. Acknowledging and living with the disparity between the truth and the vision, and facing it squarely, is the source of resolve and creativity to move forward. The effective leader resolves the tension by letting the vision pull reality toward it, in other words by reorganizing current activities to work toward the vision. The less effective way is to let reality pull the vision downward toward it. This means lowering the vision, such as walking away from a problem or settling for less than desired. Settling for less releases the tension, but also engenders mediocrity. Leaders with personal mastery learn to accept both the dream and the reality simultaneously.