

## PLS 500 – Public Administrative Theory

### Topic: Leadership, Power, and Organizational Culture

#### What Are Some Basic Elements of Management?

- Establish the organization's strategy
  - Establish objectives and priorities
  - Devise operational plans
- Manage Internal Components of the Organization
  - Organizing and staffing
  - Directing personnel and the personnel management system
  - Controlling performance
- Manage Interactions with the Organization's External Environment
  - Dealing with “external” units of the organization (above, below, across the organization)
  - Dealing with independent organizations (e.g., other agencies)
  - Dealing with the press and the public

#### What Are a Public Manager's Different Roles?

- Interpersonal Roles
  - Figurehead
  - Leader/Motivator
  - Liaison (in/outside organization)
- Informational Roles
  - Monitor (gather information)
  - Disseminator (transfer information)
  - Spokesperson
- Decisional Roles
  - Entrepreneur (initiate change)
  - Disturbance handler (resolve conflicts)
  - Resource allocator (sets priorities)
  - Negotiator (formal/informal)

#### Leadership

“The wicked leader is he who people despise. The good leader is he who people revere. The great leader is he who the people say we did it ourselves” *Lao Tsu*

#### Definitions and Key Concepts

- *Leadership* is the ability to influence a group to achieve goals in a given situation
  - The source of influence may be formal (e.g., possession of managerial rank) or informal (he is respected)
  - Leadership is a function of the characteristics of leaders, followers, and the situation
  - Nonsanctioned leadership is the ability to influence that arises outside of the formal structure of an organization
- Not all leaders are managers and all managers are not leaders

- Sometimes leadership is irrelevant
  - Certain individual, job, and organizational variables can act as substitutes for leadership thus negating the formal leader's ability to exert either positive or negative influence over their subordinate's attitudes and effectiveness
  - characteristics of employees such as their experience, training, professional orientation, and need for independence can negate the effect of leadership
  - People working in well-defined and routine jobs may not require leadership
  - Organizational characteristics such as rigid rules and procedures, formal goals, and cohesive work groups may take the place of formal leadership
  - Too simplistic to argue that subordinates are guided to goal accomplishment solely on the basis of their leader's behavior

### **Trait Theories**

- Early studies focused on identifying characteristics that would identify leaders from nonleaders. It was based on the assumption that certain identifiable individual characteristics distinguish leaders from those lacking such skill
- Trait theory achieved prominence in the 1940s and 1950s
- Stogdill's (1948) survey of the leadership literature tried to make some sense of these trait studies and came up with the most comprehensive list of traits.
  - Stogdill's found that intelligence, scholarship, dependability, responsibility, social participation, and socioeconomic status tend to be the traits most commonly identified that differentiate leaders from nonleaders
  - However, there was no real pattern to the findings in that no single characteristic or trait consistently distinguished leaders from nonleaders.
  - Others traits often cited include
    - Drive and ambition
    - Desire to lead and influence others
    - Honesty and integrity
    - Self-confidence
    - Intelligence
    - In-depth technical knowledge related to their area of responsibility
  - Important to note that later studies failed to find a consistent set of traits distinguishing leaders from nonleaders
- Criticisms
  - Many questioned whether natural leaders exist. Neglects importance of training.
  - Primary problem with these theories is they ignore situational factors. Stogdill (1948) noted that leadership situations vary significantly and place different demands on leaders
  - Demise of trait-based theory coincided with the rise of behavioralism that swept the social sciences in the 1950s

**Behavioral Theories**

- Developed in response to the dissatisfaction with trait theories and the growth of the human relations and behavioral movements
  - Researchers wondered if there was something unique about the way leaders behave
  - If behavioral determinants are critical, then we can train individuals to be leaders
- Difference between trait and behavioral theories lies in their underlying assumptions
  - If trait theories are valid, leaders are born
  - If there are specific behaviors that identify leaders, then we can teach leadership
- *Ohio State Studies*
  - Most comprehensive and replicated studies of behavioral theories began at Ohio State University in the late 1940s.
  - Research focused on identifying independent dimensions of leader behavior, which eventually were narrowed to two:
    - *Initiating structure*: the extent to which a leader is likely to define and structure their role and those of employees in the search for goal attainment. This includes behavior that attempts to organize work, work relationships, and goals
    - *Consideration*: The extent to which a person is likely to have job relationships characterized mutual trust, respect for employees' ideas, and regard for their feelings. This type of leader shows concern for his followers' comfort, well-being, status, and satisfaction
  - Leaders high in initiating structure and consideration (H-H) tended to achieve higher employee performance than L-H, H-L, or L-L
  - High in initiating structure tended to have greater rates of grievances, absenteeism, turnover, and lower levels of job satisfaction
- *University of Michigan Studies*
  - Studies at Michigan at the same time as the Ohio State studies have similar research objectives.
  - They also came up with two dimensions:
    - *Employee-oriented*: leaders emphasized interpersonal relations; take a personal interest in the needs of their employees and the individual differences of employees
    - *Production-oriented*: emphasize the technical or task aspects of their job and emphasize accomplishing the group's tasks
  - Researchers favored the leaders who were employee-oriented in their behavior because they were associated with higher group productivity and higher job satisfaction. Production-oriented leaders tended to be associated with low group productivity and low worker satisfaction
- Blake and Mouton's *Managerial Grid (1984)* (Leadership Styles)
  - Two-dimensional view of leadership style based on *concerns for people* vs. *concerns for production (task)* leads to five different styles (See Figure 5-2 in Graham and Hays 1993)
    - Style 1, 1 – Impoverished or default leadership (low, low): Exertion of minimum effort to get required work done
    - Style 9, 9 – eye to eye or team leadership (high, high): Work is accomplished by committed people and a common stake in organizational purpose leads to trust and respect

- Style 9, 1 – task or authority compliance leaders (high task, low people): efficiency in operations such that human elements interfere to a minimum degree
- Style 1, 9 – good neighbor or country club leader (high people, low task): thoughtful attention to the needs of people for satisfying relationships
- Style 5, 5 – middle of the road (Med, Med): adequate organizational performance is possible through balancing the necessity for getting work out with maintaining satisfactory morale
- Theory argues that Situation 9, 9 is always preferable, which is why other names are derogatory.
  - It is now recognized that the grid implies a bias towards a team style of leadership
  - There has been little success in identifying consistent relationships between patterns of leadership behavior and group performance
  - Missing is consideration of the situational factors that influence success or failure

### Contingency Theories of Leadership

- Unlike the trait and behavioral theories, contingency and transactional theories tend to focus on the importance of situational characteristics and small groups
- *Fiedler Model*
  - Fiedler's model proposes that effective group performance depends on the proper match between the leader's style of interacting with employees and the degree to which the situation gives control and influence to the leader
  - *Least-preferred co-worker (LPC)* questionnaire measures whether a person is task oriented or relationship oriented
    - Fiedler argued that the leadership style was innate and that you cannot change your style to fit changing situations
  - Three situational criteria that can be manipulated to create a proper match with the orientation of the leader
    - *Leader-member relations*: the degree of confidence, trust, and respect employees has in their leader (either good or poor).
    - *Task structure*: the degree to which the job assignments of employees are structured or unstructured (either high or low)
    - *Position power*: the degree of influence a leader has over power variables such as hiring, firing, discipline, promotions, and salary increases (either strong or weak)
  - The better the leader-member relations, the more highly structured the job, and the stronger the position power, the more control or influence a leader has.
  - Concluded that task-oriented leaders tend to perform better than relationship-oriented leaders that are very favorable to them and in situations that are very unfavorable to them.
  - See Exhibit 10-2 for different relationships
- *Path-goal theory* is a model developed by Robert House and his colleagues, which combines the Ohio State research on initiating structure and consideration with the expectancy theory of motivation. It is, in part, a transactional model with elements of a contingency perspective. One of the most comprehensive theories to be developed.
  - Effective leaders increase motivation and satisfaction among subordinates when they help them pursue important goals

- Effective leaders help subordinates see the goal
- The paths to the goals
- How to follow the paths to achieve the goals
- Essence of the theory is that it is the leader's job to assist their followers in attaining their goals and to provide direction and/or support needed to ensure that their goals are compatible with the overall goals of the organization
- Role of the leader is to clarify the path to help followers get to their goals and to make the journey along that path easier by reducing roadblocks and pitfalls
- Leader's behavior is *acceptable* to subordinates if they view the leader as an immediate source of future source of satisfaction
- Leader's behavior is *motivational* if it:
  - Makes the subordinate's satisfaction contingent on performance
  - Provides the coaching guidance, support, and rewards necessary for effective performance
- Four leadership behaviors (styles)
  - *Directive (autocratic) leaders* let subordinates know what is expected of them and gives specific guidance
  - *Supportive (human relations) leaders* are friendly and show concern for the needs of subordinates
  - *Coaching (participative) leader* consults with subordinates and uses their suggestions to make a decision
  - *Achievement-oriented* leaders set challenging goals and expect subordinates to perform at their highest levels
  - In contrast to Fielder's contingency model, path-goal theory assumes that managers can alter their leadership style as needed
  - Style that is best depends upon situational factors
    - Is the task structured
    - Are clear goals provided
    - Do subordinates have well developed skills
    - How much formal authority a leader has
    - Does the work group have strong norms and social relationships
- Factors influencing the contingency relationship are:
  - *Environmental factors* beyond the control of the leader (e.g., task structure, formal authority system, and work group)
  - *Personal characteristics* of the subordinates (e.g., locus of control, experience, and perceived ability)
- Path-goal model provides a framework for explaining and predicting leadership effectiveness that has developed a solid, empirical foundation
- Leader will be ineffective when their behavior is redundant with the sources of environmental structure or incongruent with subordinate characteristics
- See sample hypotheses on page 140 – 141 of Robbins

- *Leader-participation model*
  - Vroom and Yetton developed the leader participation model in 1973
  - Researchers argued that leader behavior should adjust to reflect the task structure
  - The model employs a decision tree with seven contingencies that lead to five alternative leadership styles
  - Unfortunately, the model is too complex for the typical manager to use on a regular basis
- *Follower-Based Theory* developed by Hersey and Blanchard (1982)
  - It is a situational leadership theory is most popular among management consultants, trainers, and practicing administrators (Graham and Hays 1986).
  - It shares many similarities with path-goal theory including the notion that different leadership styles are needed under different circumstances and those leaders can and should alter their behavior to fit changing situations.
    - However, where as path-goal theory emphasizes the degree of ambiguity in the work situation, Hersey and Blanchard (1982) believe that task maturity is the most important situational variable
  - Task maturity is “the ability and willingness of people to take responsibility for directing their own behavior (Hersey and Blanchard 1982, 151).
  - Theory argues that managers should alter their leadership style based on the *task maturity* and the employees they are supervising (*follower maturity*)
    - At low levels of follower maturity, managers should engage in telling behavior, explaining how to accomplish tasks and monitoring employee performance
    - As follower maturity increases, leaders should use less task-oriented behavior and more relationship behavior
    - When followers are at their highest level of maturity, the leader’s style should be both low task and low relationship behavior
    - They use a form of Blake and Mouton’s managerial grid (Graham and Hays 1986).
  - Four basic leadership styles termed
    - *Telling*: Leader defines roles, explains how to accomplish tasks, and closely monitors compliance and performance.
    - *Selling*: Leader combines directive and supportive behavior to reinforce a worker’s willingness and enthusiasm. Engages in two-way communication and explanation of tasks.
    - *Participating*: Leader is supportive but nondirective. Decision making is shared. Primary role is to facilitate the work process through reinforcement and communication.
    - *Delegating*: Leader adopts a low profile: May still identify goals and problems but leaves task accomplishment to the workers (Graham and Hays 1986).
  - Advantage is the use of task maturity as a proxy for other situational variables. Thus leaders only need to look at two variables to determine the appropriate leadership style (Graham and Hays 1986).
- Gender as a Contingency Variable: Do males and females lead differently?
  - Similarities between male and female leadership styles tend to outweigh the differences
  - Main difference appears to be that women use a rather democratic leadership style whereas men feel more comfortable with a directive leadership style

- Other differences
  - Women are more likely encourage participation, share power and information, and enhance followers' self worth
  - Men are more likely to use directive command-and-control style and rely on formal authority
- *Transactional approach* developed initially by George Graen and Steven Ginsburgh (1977)
  - *Transactional leaders* guide and motivate their followers in the direction of established goals by clarifying role and task requirements
  - Unlike contingency models which concentrate only on the problems confronting the leader in dealing with a small group, transactional approaches also examine the leader's subordinates and the problems confronting them
  - Emphasizes the relationship between a leader and his subordinates
  - Relies on attribution theory which deals with those rational processes that form people's judgments of each other
    - Research indicates that when people make a judgment about someone else, the attribute a person's behavior to internal causes
    - Judgments are highly biased and personal
    - Supervisors tend to render more negative judgments and focus these judgments on a subordinate's internal attributes

### **Charismatic Leadership: Trait Theories Updated**

- Previous leadership theories involved *transactional leaders* who guide or motivate their followers in the direction of established goals by clarifying role and task requirements
- James MacGregor Burns in *Leadership* (1978) presents his view of transformational leaders.
  - *Transformational leaders (or charismatic) leaders* inspire followers to transcend their own self-interests for the good of the organization and is capable of having a profound and extraordinary effect on their followers
  - They don't engage in simple of exchanges of benefits with their followers. Rather they appeal to Maslow's higher-order needs like self-actualization
  - This research draws a sharp distinction between management and leadership
- Excellent leaders lead others largely by managing themselves through such strategies as
  - *Attention through vision*: Effectively create a vision which focuses their attention and that of their followers
  - *Meaning through communication*: Effectively transmit their vision to others
  - *Trust through positioning*: Show particular skill in choosing the best course and knowing what is right and necessary
  - *Positive self regard*: Have a high regard for their own skills and use them effectively
  - *The Wallenda factor*: Leader doesn't get obsessed with past problems or prospects for failure (Wallenda lost his life in a tightrope accident after getting obsessed with falling)
  - *Empowerment*: Expand their own capacity by empowering others

- Five common attributes of charismatic leaders are
  - *Self-confidence*: they have complete confidence in their judgment and ability
  - *Having a vision*: An idealized goal that proposes a better future than the status quo
  - *Strong convictions to their vision*: They are perceived to be willing to take a high personal risk, incur high costs, and engage in self-sacrifice to achieve their vision
  - *Extraordinary behavior*: Engage in behavior that is perceived to be novel, unconventional, and counter to norms.
  - *Image as a change agent*: Are perceived to be agents of change rather than adhering to the status quo
- Followers of charismatic leaders tend to be:
  - More self-assured
  - Experienced more meaningfulness in their work
  - Reported more support from their leaders
  - Worked longer hours
  - Saw their leaders as more dynamic
  - Had higher performance ratings than the followers of noncharismatic, but effective, leaders

### Other Perspectives on Leadership

- Visionary leadership
  - Ability to create and articulate a realistic, credible, and attractive vision of the future for an organization that grows out of and improves upon current conditions
  - Serves to energize the organization and help attract the skills, talents and resources necessary to achieve the vision
- Team Leadership
  - Leadership is increasingly taking place within a team context, which creates new challenges
  - Many command and control techniques are not appropriate
  - Team leaders need to learn new skills such as the patience to share information, trust others, give up authority, and understand when they should intervene
  - Common responsibilities of team leaders are coaching, facilitating, handling disciplinary problems, reviewing team/individual performance, training, and communicating
  - Team leaders often focus on:
    - Being *liaisons with external constituencies* such as upper management, other teams, customers, and suppliers. Leader represents the team to other constituencies
    - Being a *trouble shooter*. Focus is often on resolving problems



- Theory Z (Ouchi 1981)
  - Basic assumption is that workers are the key to high productivity. Management's role is to structure the work situation in such a way that employees can work together more effectively.
  - It builds on management practices commonly used in Japan and argues that the work climate in the U.S. is missing key attributes:
    - Long-term employment: employees should expect to work in a single organization for all or most of their careers and to accept a variety of responsibilities
    - Trust: Employees should believe that their contributions over a lifetime will be rewarded in an equitable and just manner
    - Discernment: Employees should develop norms of behavior that emphasize the utility of working together with other employees to improve productivity
    - Intimacy: Employees should develop close personal relationships that reflect values such as care, unselfishness, and sacrifice for others
  - Management strategies that can be used to accomplish these attributes are:
    - Close and frequent personal contact between supervisors and subordinates
    - Relatively flat organizational structures consisting of a few hierarchical levels
    - Group involvement using techniques such as quality circles
    - Use a family approach in that management can adopt a paternalistic attitude towards subordinates
    - Use of selection, training, compensation, promotion, and appraisal strategies that reinforce communal and familial values of the organization

### **Trust and Leadership**

- *Trust* is a positive orientation that another will not act opportunistically whether it is through words, actions, or decisions.
  - It assumes some knowledge or familiarity with the other person/organization.
  - Trust is a history-dependent process based on past experience or information about a party's trustworthiness
  - There is an inherent risk and vulnerability in any trust-based relationship
  - Trust is the willingness to take a risk because you expect that they will not take advantage of you
- Trust is important because management often delegates decision-making responsibility to teams and work groups as well as lower management. Trust is also important when organizations establish relationships with other organizations (i.e., collaboration).
- Key dimensions of trust
  - *Integrity* is one's honesty or trustfulness
  - *Competence* encompasses an individual's technical and interpersonal knowledge and skills
  - *Consistency* relates to an individual's reliability, predictability, and good judgment
  - *Loyalty* is the willingness to protect and "save face" for another person
  - *Openness* is whether you can rely on the person to tell you the whole truth

- Three types of trust
  - *Deterrence-based trust*: one violation or inconsistency can destroy the relationship. Relationship is fragile and is often based on the fear of reprisal if trust is violated
  - *Knowledge-based trust*: based on the behavioral predictability that comes from a history of interaction. This is the basis for most organizational relationships
  - *Identification-based trust*: This is the highest level of trust and exists when there is an emotional connection between the parties. One party can act as an agent for the other and substitute for that person in interpersonal transactions.
- Ways to build trust
  - Practice openness
  - Be fair
  - Speak your feelings
  - Tell the truth
  - Show consistency
  - Fulfill your promises
  - Maintain Confidences
  - Demonstrate competence

### **Contrasting Leadership and Management**

- Mintzberg (1990) defines leadership as being a part of what all managers do.
  - He delineates three important roles for a manager with formal authority and status
    - Interpersonal roles: figurehead, leader, liaison
    - Informational roles: monitor, disseminator, spokesperson
    - Decisional roles: entrepreneur, disturbance handler, resource allocator, negotiator
  - Instead of being a clear line of demarcation between the functions of leaders and managers, he sees them as being overlapping, complementary, and intermixed depending on the organizational context
  - More often than not, an effective leader is also an effective manager
- There is a distinction between the roles and functions of organizational leaders, managers, and supervisors
- Remember that leadership is not necessarily confined to those in positions of formal authority. Effective leaders often exist in positions absent formal authority

### **Contrasting Leadership and Power**

- *Power* refers to the capacity A has to influence the behavior of B so that B does something that they would otherwise not do. The definition implies:
  - A potential that need to not be acted upon to be effective
  - A dependence relationship
  - Actor B has some discretion over their behavior
- Power determines what goals a group will pursue and how a group's resources will be distributed among its members
- Leaders may use power as a way to attain group goals. Accordingly, power facilitates a leader's achievement
- Power and leadership are not synonymous.

- Power does not require goal compatibility, merely dependence
- Leadership requires some congruence between the leader and follower's goals
- Research on leadership emphasizes style.
- Research on power tends to focus on a broad area with emphasis on tactics for gaining compliance

### Sources of Power

- Weber identified three types of authority
  - *Traditional authority*: comes from historically established relationships between the leader and the led. Followers perceive the leader's power as being justified by virtue of custom and tradition.
  - *Charismatic authority*: is accepted by followers because of the force of the leader's personality and unique qualities. They obey because the leader's charisma induces a sense of trust, respect, and perhaps admiration
  - *Rational-legal authority (sometimes called bureaucratic authority)*: derives its legitimacy from the follower's perception that it is based on generally accepted standards of behavior contained in rules (formal or informal) that have assumed the mantle of legality and correctness. Examples include laws and the formal and informal rules enforced by bureaucratic organizations.
- French and Raven (1959) provide the most comprehensive framework, which identifies five bases of power
  - *Coercive power* depends on fear. One reacts to fear of the negative consequences that might occur if one fails to comply
  - *Reward power* is the opposite of coercive power. People comply because doing so produces positive benefits
  - *Legitimate power* represents the power a person receives as a result of their position in the formal organizational hierarchy
  - *Expert power* results from expertise, special skill, or knowledge
  - *Referent power* is based on admiration for a person who has desirable resources or personal traits
- Other potential sources of power include
  - *Information power* results because information is a valuable resource in any organization and those who have access to information or can control its flow have power
  - *Connection power* arises when an individual is tied to important persons inside/outside of the organization. Closely related to information power.
  - *Obligation power* results when you have the obligation to return favors that were done for you by someone else
  - *Dependence power* results from an individual's perception that they are dependent upon an individual for help or protection
  - Control over the physical environment, technology, and the organization of work (Yukl 1989).
  - Powers of rational persuasion to convince subordinates to undertake tasks in specified ways (Yukl 1989).

- Dependency is the key to power
  - The *general dependency postulate* states that the greater B's dependency on A, the greater power A has over B
    - This explains why many organizations try and rely on many different suppliers instead of only one
  - Dependency on a person or organization increases when the resource that person controls is important or scarce
    - *Importance* -- Dependency is created when a person controls something that is perceived as important
    - *Scarcity* -- If something is plentiful, its possession does not increase power. A resource needs to be scarce to create dependency
- Subunits will have more power when other subunits are dependent on them or they have some of the sources of power listed above
- Findings from studies on power in Graham and Hays (1993) offer some guidance for managers looking to exercise leadership:
  - Legitimate power is the most significant in explaining why workers complied with orders followed by expert, reward, referent, and coercive power. However, expert and referent power were the most important determinants of employee performance
  - Expert power is strongly correlated with work satisfaction and performance among diverse employee populations
  - Legitimate power is consistently related to compliance but is not clearly related to performance
  - Coercive power was the least significant reason for compliance and tends to have a negative impact on performance. It is almost always negatively correlated with employee satisfaction and effectiveness.
  - Nonformal power bases such as expert and referent power tend to be highly correlated with performance
  - Because research shows a high degree of interrelatedness among various types of power, too much confidence should not be placed in these findings
- Graham and Hays (1993) also note some tactics managers can use for exerting influence and that use different sources of power:
  - *Reason*: using data, facts, and logic; most commonly used with superiors (persuasive power)
  - *Friendliness*: Relying on personal regard and good will; generally used with peers and subordinates
  - *Building coalitions*: getting others to join in and support your position; can be used with all groups
  - *Bargaining*: trading and negotiating; used primarily with peers and subordinates
  - *Assertiveness*: employing a forceful and direct manner; used almost exclusively with subordinates
  - *Upward appeal*: asking higher levels of authority for support; used sparingly mostly with peers and subordinates since going over the heads of superiors repeatedly is often a violation of organizational etiquette
  - *Sanctions*: rewarding or punishing the behavior of others; used mostly with subordinates

- *Blocking*: failing to cooperate in order to subvert the actions of another employee; used mostly with coworkers
- Note that most of these tactics are based on referent and expert power rather than formal powers like reward, coercive, and legitimate and tactics requiring positional authority tend to be avoided

### Importance of Power

- Those “out of power” often want to be “in” power
  - Those who want power will often attempt to build a personal power base by forming a coalition such that by joining together they can better themselves at the expense of those outside the coalition
- Power is often an important component of sexual harassment
  - *Sexual harassment* is defined as unwelcome advances, requests for sexual favors, or other verbal or physical conduct, whether overt or subtle, that is of a sexual nature
  - Considerable disagreement about what constitutes sexual harassment but power is often central to understanding sexual harassment
  - Supervisor-employee dyad best characterizes an unequal power relationship (position power)
- *Political behavior* are those activities that are not required as part of one’s formal role in the organization but that influence or attempt to influence the distribution of advantages and disadvantages within the organization
  - Behavior requires some attempt to use one’s power bases
  - Political behavior helps explain why employees withhold information, restrict output, attempt to “build empires”, publicize their successes, hide failures, distort performance figures to make themselves look better, and engage in other behaviors at odds with the organization’s desires for effectiveness and efficiency
  - Individual characteristics related to political behavior include:
    - Authoritarian employees
    - Employees with a high risk propensity
    - Employees with an external locus of control (forces outside them control their destiny)
    - High need for power, autonomy, security, and status are other contributors
  - Organizational factors:
    - Often function of an organization’s culture
    - Culture’s characterized by low trust, role ambiguity, unclear performance evaluation systems, zero-sum reward allocation practices, democratic decision making, high pressures for performance, and self-serving senior management
- *Impression Management*
  - Process by which individuals attempt to control the impressions others form of them
  - Techniques include:
    - *Self descriptions* of personal attributes and traits
    - *Conformity* with others opinions to gain their approval
    - *Accounts* such as excuses, justifications, or other explanations of a predicament-creating event

- *Apologies* and admitting responsibility for an undesirable event
- *Acclaiming* or explaining a favorable event in way that maximizes favorable impressions
- *Flattery*: complementing others about their virtues
- *Favors*: doing something nice for someone to gain that person's approval

### Organizational Culture

- *Organizational Culture* refers to a system of *shared meaning* and *assumptions* (often unstated) held by members of an organization that distinguishes their organization from other organizations
  - Two basic components are:
    - The meanings contained in its ideologies, values, and norms of an organization
    - The forms, functions, events, and practices of an organization
  - Culture is a descriptive concept unlike job satisfaction, which is evaluative
  - Cultures often emerge as an organization discovers, invents, or develops solutions to problems it faces
  - A *dominant culture* expresses the core values shared by a majority of the organization's members
  - Subcultures may develop in large organizations that reflect the common problems, situations, or experiences of that a group of employees share
  - A strong culture is characterized by the organization's core values being both intensely held and widely shared – high commitment to the organization's values
    - Unanimity leads to cohesiveness, loyalty, and organizational commitment, which should lead to low turnover
- An organization's culture can often be described in terms of how employees perceive the following characteristics, not whether they like them:
  - *Innovation and risk-taking*: the degree to which employees are encouraged to be innovative and take risks
  - *Attention to detail*: the degree to which employees are expected to exhibit precision, analysis, and attention to detail
  - *Outcome orientation*: the degree to which management focuses on results rather than on processes
  - *People orientation*: the degree to which management decisions take into consideration the effect of outcomes on people within the organization
  - *Team orientation*: the degree to which work activities are organized around teams rather than individuals
  - *Aggressiveness*: the degree to which people are aggressive and competitive rather than easygoing
  - *Stability*: the degree to which organizational activities emphasize maintaining the status quo in contrast to growth
- It can also be described in terms of the following (See Rainey 1997, Table 11.2)
  - *Member identity*: The degree to which individuals identify with the organization as a whole rather than some subgroup or specialization

- *Group emphasis*: The degree to which work is organized around groups rather than individuals
- *People focus*: The extent to which management considers the effects of their decisions on people in the organization
- *Unit integration*: The amount of encouragement of coordinated, interdependent activity among units
- *Control*: the degree to which rules and supervision is used to control employees
- *Risk tolerance*: The encouragement of risk and innovation
- *Reward criteria*: The extent to which rewards are based on performance rather than seniority or favoritism
- *Conflict tolerance*: the degree to which open airing of conflict is encouraged
- *Means-end orientation*: The extent of managerial focus on outcomes and results rather than processes
- *Open-systems focus*: The amount of monitoring of external developments
- Culture performs several functions within an organization
  - Creates a distinction between one organization and others
  - Conveys a sense of identity for organizational members
  - Generates a commitment to something larger than one's self-interest
  - Enhances the stability of the organization's social system (e.g., provides standards for what employees should say and do)
  - Helps shape the attitudes and behavior of employees
- Culture is a liability when
  - Shared values do not agree with those that will improve the organization's effectiveness
  - Consistency of behavior is an asset when the environment is stable but may be a liability when environment is undergoing change and members resist changing the culture
- Paradox of Diversity
  - Management wants new employees to accept the organization's core cultural values otherwise they are unlikely to fit in or be accepted.
  - At the same time, management wants to openly acknowledge and demonstrate support for the differences that employees bring to the workplace
  - The challenge for management is to balance the two conflicting goals by getting employees to accept the organization's dominant values and encourage the acceptance of differences

### **Creating and Sustaining an Organization's Culture**

- An organization's current customs, traditions, and general way of doing things are largely the product of what has done before and the degree of success that was achieved
  - Founders of an organization often have a big impact on its culture
- Three forces play an important part in sustaining a culture
  - *Selection*: identify and hire individuals with the knowledge, skills, and abilities to perform jobs within the organization successfully but also consider how well a candidate might fit into the organization and hire people who share common values
  - *Top management*: Through what they say and how they behave, senior executives establish norms that filter down through the organization (e.g., is risk taking desirable,

how much freedom managers should give employees, what is the appropriate dress, what actions pay off in terms of raises, etc.)

- *Socialization*: No matter how good you are at recruiting and selection, new employees must be indoctrinated with the organization's culture so that they don't disturb the beliefs and values in place.
  - Ex: New Disneyland employees spend their first two days watching videos and listening to lectures about how they should behave.
    - Socialization can be formal/informal, individual/collective, fixed/variable, serial/random, investiture/divestiture (See exhibit 16-3)
  - *Prearrival stage*: Before an employee arrives, he/she will have a set of values, attitudes and expectations about their job, coworkers, boss, and the organization
  - *Encounter stage*: Individuals encounter the disconnect between their expectations and the reality
  - *Metamorphosis stage*: Workers go through changes as they work they work through these disconnects. Metamorphosis and entry socialization are complete when they are comfortable with the organization and their job, have internalized norms of the organization and work group, and feel accepted, trusted, and valued by their peers

#### **Methods leaders and leadership teams can use to develop and effective culture**

- Make clear what leaders will monitor, ignore, measure, or control
- React to critical incidents and organizational crises in ways that send appropriate cultural messages
- Practice deliberate role modeling, teaching, and coaching
- Establish effective criteria for granting rewards and status, for selection and promotion of employees, and for dismissal or punishment
- Coordinate organizational designs and structures with cultural messages
- Coordinate organizational systems and procedures with cultural messages
- Design physical spaces, including facades and buildings, to communicate the culture
- Employ stories about events and people
- Develop formal statements of the organizational philosophy or creed
- Approach cultural leadership as comprehensive organizational change



### How Employees Learn Culture

- Employees often learn culture from:
  - The substance of public functions or events staged by a group such as rites, ceremonials, and rituals
  - The ways that the members of a group or organization typically communicate or express themselves such as stories, myths, sagas, legends, folktales, symbols, and language
- *Rite* is a relatively elaborate, dramatic, and planned set of activities that consolidates various forms of cultural expressions into a single event, which is usually carried out through social interaction for the benefit of an audience
  - Wedding ceremony
  - Awarding the salesperson of the year at the annual company banquet
- *Ceremonials* are a system of several rites connected to a single occasion or event
  - A university's graduation ceremony
  - A company banquet where several awards are made to recognize performance
  - The Oscars
- *Rituals* are a standardized, detailed set of techniques or repetitive sequences of activities that express or reinforce the values of an organization, what goals are most important, and which people are important or expendable. However, they may seldom produce consequences of practical importance
  - College faculty go through a lengthy ritual in their quest for tenure
  - Fraternity/sorority members may endure rituals in their quest to become members
  - Meeting traveling executives at the airport; the more important the executive the larger the reception party
  - Headquarters executives eating lunch together in the executive dining room when they are in town
- *Stories* are accounts of true events, but they often contain both truth and fiction. Organizational members often tell stories repeatedly about:
  - Organization's founders
  - Consequences of rule breaking
  - Rags-to-riches successes
  - Reductions in the workforce
  - Relocation of employees
  - Reactions to past mistakes
  - Organizational coping
- *Myths* can be a type of story (dramatic narrative of imagined events used to explain the origins or transformations of something) or a type of belief (an unquestioned belief about the practical benefits of certain techniques or behaviors that is not supported by facts)
  - Differ from stories in that they lack a factual basis
- *Sagas* are another category of stories that consist of historical narratives describing the unique accomplishments of a group or its leaders
  - Peters and Waterman (1982) suggest that strong culture organizations have an enormous fund of stories about the exploits of the founder or other strong leaders

- Examples are stories about the exploits of Bill Gates (Microsoft), Steve Jobs (Apple), Bill Hewlett and Dave Packard (Hewlett-Packard) are used to communicate a unique way of doing things to outsiders and newcomers
- *Legends* are stories about some event that has actually occurred, but has been embellished with fictional details
- *Folktales* are purely fictional stories
- *Language* may be used as a way to identify members of a culture or subculture through the development of specialized jargon or gestures, which often are not recognizable to outsiders
  - Nick name of office campus
  - Nickname of division or person's position
  - Unique names to describe equipment, offices, key personnel, suppliers, customers, or products related to the organization's functions
- *Symbols* are any object, act, event, quality, or relation that serves for conveying meaning. They can also express the degree of egalitarianism desired by top management as well as desirable behaviors (e.g., degree of risk taking, frugality, authoritarianism, participative, individualistic, social, conservative, etc.)
  - Artifacts or manufactured items such as tools, artwork, furniture, books, etc.
  - The attire of employees or the décor
  - Physical settings such as buildings, open spaces, shop layouts, size of offices, etc.
  - Material symbols bestowed on executives such as chauffeur-driven limousines
  - Executive perks
  - Use of employee lunches or executive dining rooms
  - Reserved parking spaces

### Managing Cultural Change

- Changing an organization's culture is difficult because it is made up of relatively stable characteristics that developed over a long period of time or can be difficult to change such as:
  - Written statements about an organization's mission or philosophy
  - Design of physical spaces and buildings
  - Dominant leadership style
  - Historical selection criteria
  - Past promotion practices
  - Entrenched rituals
  - Popular stories about key people or events
  - Past performance evaluation criteria
  - Formal structure of the organization
- Cultural change is more likely to occur when the following conditions exist
  - A dramatic crisis exists or is created
  - Turnover in leadership
  - Young and small organizations
  - The culture that currently exists is relatively weak

**Creating an Ethical Culture**

- A culture likely to shape high ethical standards will support managers for taking risks and innovating, discourage unbridled competition, and pay attention to how goals are achieved as well as what goals are achieved (means and ends)
  - A strong culture will exert more influence than a weak one
- To encourage the development of a more ethical culture management should:
  - Be a visible role model
  - Communicate ethical expectations
  - Provide ethical training
  - Visibly reward ethical acts and punish unethical ones
  - Provide protective mechanisms so employees can discuss ethical dilemmas