

## **Chapter 1**

### **Introduction**

Organizations exist. So do cultures. As organization grows so do cultures. Yet growth in organization and growth in culture does not mean similarities or incongruent aspects of the culture. As organizations grows so do its people and more particularly so do its leaders. As time passes these leaders in turn begin to influence the organization culture. While it is possible that home grown leaders influence culture in a particular way so do direct mid level hires who do their own influences. Effectively organizations, cultures and leaders co exists. Any study would have necessarily connected the way organizations, cultures and leaders connect and influence one another. Essentially that is the purpose of this research. To identify how does a leader influence culture in the context of specific types of organization and management models? The leader performs his/her role and while doing so is influencing and managing the culture. But in so doing is operating within a defined or a pre determined organizational type – this could be a research focused knowledge company, a altruistic voluntary organization or a legendary institution that has passed through many times. And in all of this the leader is performing to a situation and style that could vary from being an autocrat to a charismatic professional to that of a bureaucratic manager or simply a technocrat. To this we add the dimension of a culture that is either influencing the leader or is being influenced by the leader and that culture could vary from that of being operator like, engineering oriented. Or the human environment and all of it understood as we see cultural manifestation in what we observe, cognitively, intuitively, consciously or otherwise forms people and their behaviors. Effectively the leader is now operating in a culture that is driven by the type of an organization and is acting in a particular leadership style as he/she has deemed it appropriate.

This means that, for the purpose of this research the researcher has to study and research to a certain degree of depth aspects related to culture, organization, management models and leadership in the context of specific organizations and their leaders. To this the researcher has to attempt providing linkages between the three factors and should as well prove certain types of hypothesis detailing certain assumptions on how does the leader influence culture.

Given the above the chapter has been organized as follows:

The Researcher covers detailed theoretical notes and literature survey on:

1. Culture – This section provides a framework on cultures as they relate to this thesis and also details Edgar Schein's 3 cultures model. The section also provides for assessment of additional aspects to defining cultures including emerging cultures and how do they relate to Schein's model of cultures.
2. Leadership – This section detail leadership theory to a considerable degree to provide the basis for the researcher to attempt identifying additional leadership styles that may emerge in the course of the study.
3. Organization and Management Models – This section detail organization & management models and the theoretical material available in literature to understand organizational types and their characteristics. Additional analysis has been included to elaborate on characteristics of organizations.

The chapter would conclude outlining the need to connect the three aspects of leadership, culture and organization and management model.

## Section 1 – Discussion on Culture

The culture of an organization is an amalgamation of the practices, values and beliefs of the people in an organization. Culture happens as time passes and as actions impact behavior. It can be felt in the implicit rules and expectations of behavior in an organization where, even though the rules are not formally written down employees know what is expected of them. Management whose decisions on policy help establish the culture of the organization usually sets it. The organizational culture has values and beliefs, sometimes rituals that support the organizational goals. Over time established actions, consequent behavior and counter behavior become commonly understood as culture.

As we trace into history we see substantive work highlights of which are provided below to start with. Further on the research document provides several references and detailed theoretical analysis.

- 1911, Frederick Winslow Taylor's *The Principles of Scientific Management* launched the scientific management movement with its emphasis on time and motion studies and breaking jobs into small, repetitive tasks in an attempt to find "the one best way" to do each job. Expert engineers and supervisors designed each task and ensured it was done correctly. Piece-rate pay systems were designed to increase motivation and to prevent "soldering," or slacking off. Simple, repetitive tasks minimized the skills required to do the job. Taylor's methods quickly swept the country and the world as the way to organize work.
- 1922, The great German sociologist Max Weber introduced the concept of "bureaucracy" as the best, most efficient way to organize people. A

strong hierarchy of authority, extensive division of labor, Impersonal rules, and rigid procedures would create a well-oiled human machine called the organization.

- Scientific management as the way to organize work and bureaucracy as the way to organize people were the prevailing paradigms for organizations in the early 1900s. These approaches possessed many desirable features, but also contained serious flaws that led to unintended consequences. In a sense, much of the research, theory, and practice since the late 1920s have focused on the shortcomings of these two paradigms and how to overcome the limitations.
- 1926, Mary Parker Follett, a management theorist and astute observer of labor-management relations, wrote an article on “The Giving of orders” advocating Participative leadership and joint problem solving by labor and management. Much of her career was devoted to finding ways to reduce adversarial relationships between workers and management. Her papers were collected and published as a book in 1941.
- 1927 to 1932, the famous Hawthorne studies were conducted at the Hawthorne plant of western Electric Company. Reports on these studies by Mayo in 1933 and 1945, by Roethlisberger and Dickson in 1939 and by Homans in 1950 profoundly and irreversibly affected people’s beliefs about organizational behavior. The research demonstrated the *primacy* of social factors on productivity and morale. People came to work as whole people; their feeling alienated and dispirited. Group norms had more powerful effects on productivity than economic incentives. People were not cogs; organizations were not machines.



- 1938, *The Function of the Executive* by Chester I. Barnard presented insights from his experience as president of the New Jersey Bell Telephone Company. Barnard viewed organization as social systems that must be effective (achieve goals) and efficient (satisfy the needs of employees). His acceptance theories of authority proposed that authority derive from the willingness of subordinates to comply with directions rather than from position power.
- 1939, Research by Lewin, Lippitt, and White demonstrated the superiority of democratic leadership compared to authoritarian leadership and laissez-faire leadership in terms of the effects on group climate and group performance. Democratic leadership seemed to bring out the best in the groups; authoritarian leadership caused dependency, apathy, aggressiveness, and poor performance.
- 1940s Group dynamics—the scientific study of groups using experimental research methods—was launched by Kurt Lewin and his student. Some early experiments were conducted in the late 1930s.
- 1940s to 1960s The Hawthorne studies spawned the human relations movement that was in full flower from the 1930s to the 1960s. The human relations movement advocated Participative management, greater attention to workers' social needs, training in interpersonal skills for supervisors, and a general "humanizing" of the workplace.
- 1946 and 1947 these years witnessed the beginnings of the laboratory training movement, a direct precursor of OD. Improved interpersonal relations, increased self-understanding, and awareness of group dynamics were lessons learned in laboratory training. Humanistic and democratic values suffused the movement.

- 1948, Ken Benne and Paul Sheets, pioneers in laboratory training, proposed that the leadership functions of a group should be shared between the leader and group members and showed how that could be done.
- 1948, Lester Coch and John R. P. French's article, "Overcoming Resistance to Change," reported that resistance to change could be minimized by communicating the need for change and allowing the people affected by the change to participate in planning it.
- 1950, Ludwig Von Bertalanffy introduced general systems theory concepts and showed their application to physics and biology. His article on general systems theory followed in 1956.
- 1951, Carl Rogers's *Client-Centered Therapy* demonstrated the efficacy of non directive psychotherapy, which holds that individuals have within themselves the capacity to assume responsibility for their behavior and mental health when provided with a supportive, caring social climate. Rogers focus on effective interpersonal communications was applicable to superior-subordinate relations.
- 1951, Eric Trist and Ken Bamforth of the Tavistock Clinic published the results of their work in British coalmines. This article introduced the concept of organizations as socio technical systems, which postulates that organizations are comprised of a social system and a technological system and that changes in one system will produce changes in the other system.
- 1954 *Motivation and Personality* by Abraham Maslow presented a new view of human motivation. Maslow suggested that human motivation is arranged in a hierarchy of needs from lower-level needs such as physiological and survival needs to higher-level needs such as esteem and self-actualization.

The theory postulated that when lower-level needs are satisfied, higher-level needs become dominant.

- 1957 Chris Argyris's *Personality and Organization* was the first of several books in which he stated that there is an inherent conflict between the needs of organizations and the needs of mature, healthy adults.
- 1960 Douglas McGregor wrote *The Human Side of Enterprise* in which he described his famous Theory X and Theory Y assumptions. Those who subscribe to Theory X assume that people are lazy, lack ambition, dislike responsibility, are self-centered, indifferent to the organization's needs, resist change, and need to be led. Those who subscribe to Theory Y assume that people have the potential to develop, to assume responsibility, and to pursue organizational goals if given the chance and the social environment to do so. The task of management is to change organizational structures, management practices, and human resource practices to allow individual potential to be released. In addition to presenting theory X and Y, this book popularized Maslow's motivation theory, and introduced the concepts of need hierarchy and self-actualization to practicing managers.
- 1961 Burns and Stalker described two very different forms of organization structure-mechanistic and organic. In an environment of slow change, a mechanistic organization structure may be appropriate; in an environment of high change, an organic organization form is preferred. Organic structures encourage decentralized decision making and authority, open communications, and greater individual autonomy.
- 1961 Rensis Likert's *New Patterns of Management* presented data and theory showing the overwhelming superiority of a democratic leadership

style in which the leader is group oriented, goal oriented, and shares decision making with the work group. This leadership style was compared to an authoritarian, one-on-one leadership style.

- 1966 *The Social Psychology of Organizations* by Daniel Katz and Robert L. Khan Presented the first comprehensive exposition of organizations as open systems.
- 1969 The Addison-Wesley Publishing Company “OD six-pack,” a set of six little books on OD by prominent practitioners, summarized the state of organization development a decade or so after its inception. These six books presented the theory, practice, and values of the field.

The consensus emerging from recent studies, for example Aries De Geus (1997), Fitz-Enz (1997), Ulrich (1997), is that the successful organisation for the new millennium needs organisation leaders with excellent capabilities in people management skills and understanding of behavioral issues. And strategic specialists with capabilities of designing and promoting organisation programs to create effective work practices and an environment of continuous learning. Ulrich (1997) states that the new organisations will see the strategic role of management as focussed on delivering four generic outcomes: strategic execution, administrative efficiency, employee contribution and capacity for change. In addition, the centrality of people to sustained competitive advantage will require the input of strategic HR factors into business strategy formulation.

### **Why study in organizational culture?**

The lack of strategic direction and dysfunctional activities undertaken at enormous cost in terms of wasted human resources and money by organisations should provide sobering lessons in terms

of organizational learning and business performance. Never before have so many employees had formal business education and management qualifications. How then could the past decade show evidence of so many managers clearly having little strategic appreciation of how to manage an organisation in order to achieve long-term sustainable competitive advantage?

A number of recent studies have provided a wealth of evidence and analysis on the efforts of organisations to manage not only change, but to develop the type of organisation and leaders which can operate successfully in a future of continuous change. (Fitz-Enz, 1997; Flannery et al., 1997; Kaplan and Norton, 1996; Pfeffer, 1994, 1997; Prince Waterhouse, 1996). Much of the research has not been produced in university business schools, but comes from business Consultancy groups. Such groups being Prince Waterhouse and the Hay Group and privately-funded research institutes such as the Saratoga Institute (Fitz-Enz), with its relationships with Andersen and the Nolan Norton Institute, the research arm of KPMG, which sponsored the research resulting in the "Balanced scorecard"(Kaplan and Norton, 1996).

Basically, organizational culture is the personality of the organization. Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors. Members of an organization soon come to sense, feel and experience the particular culture of an organization. Culture is one of those terms that are difficult to express distinctly, but everyone knows it when they sense it. For example, the culture of a large, for-profit corporation, driven by performance and competition is quite different than that of a hospital, driven by its voluntary nature and that that is quite different from that of a university, with its focus on the intellect and knowledge. You can tell the culture of an organization by looking at the arrangement of furniture, what they brag about, what members wear, etc. -- similar to what you can use to get a feeling about someone's personality.

Corporate culture can be looked at as a system. Inputs include feedback from, e.g., society, professions, laws, stories, heroes, values on competition or service, etc. The process is based on our assumptions, values and norms, e.g., our values on money, time, facilities, space and people. Outputs or effects of our culture are, e.g., organizational behaviors, technologies, strategies, image, products, services, appearance, etc. The concept of culture is particularly important when attempting to manage organization-wide change. Practitioners are coming to realize that, despite the best-laid plans, organizational change must include not only changing structures and processes, but also changing the corporate culture as well.

There's been a great deal of literature generated over the past decade about the concept of organizational culture -- particularly in regard to learning how to influence, impact or change organizational culture. Organizational revitalization and change efforts are rumored to fail the vast majority of the time, yes rumored. Usually, that failure is credited to lack of understanding about the strong role of culture and the role it plays in organizations. That's one of the reasons that many strategic planners now place as much emphasis on identifying strategic values as they do in defining mission and vision, not just commercial goals and objectives.

Consequently understanding culture has become a basic foundation for study of organizational practices and the method that a leader or the CEO wishes to choose to manage his/her organization. And the reasons to do so are many. For example:

- People seek identity, **identity** is a important component of culture
- Organizations work in a **context** or a situation, so do its people
- **Awareness** or **Unawareness** of the existing and desired ways of working in a context influences cultures, as it impacts people

- Stakeholders ask for direction, a set of goals and tasks. Unclear **vision**, lack of clarity in the future necessitates studying culture
- **Lack of Leadership** to influence, foresee and shape a desired culture needs management attention
- Absence of a **desire to understand** and evolve cultures through managerial actions
- Culture implies some level of **structural stability** in the group - shared, deep-rooted & stable
- The other element that culture implies is **patterning** or integration of the elements into a larger paradigm
- Culture formation is therefore, a striving toward **patterning and integration**

The culture of an organization is defined as a set of shared assumptions. (Schein, 1992). Over time the notion of cultures have been expanded to include amongst others the following:

- Observed **behavioral regularities** when people interact, the language they use, the customs and traditions that evolve, and the rituals that are employed (Jones et al, 1988) groups norms (Kilmann and Saxton, 1983);
- **Espoused values** (Deal and Kennedy, 1982);
- The broad policies and **ideological principles** that underlie a group's actions towards their stakeholders (Ouchi, 1981);
- The ropes or rules of the game that a new comer must learn to become accepted in the organization (Ritti and Funkhouser, 1982);
- The **feelings** conveyed between participants (Schneider, 1990);

- **Embedded Skills** (Peters and Waterman, 1982)
- **Mental models** and habits or ways of thinking (Douglas 1986)
- **Shared meanings** and understandings (Smircich, 1983)
- **Metaphorical and symbolic ideas** that somehow surface or become exposed in the material artifacts of an organization. (Gagliardi, 1990: Morgan, 1986, Schultz, 1991).
- **Leader is a dealer** in hope (Napoleon Bonaparte)
- **Expression of a Nation's Character** (Somerset Maugham)

An organization's culture is not just the espoused or an articulated list of values developed at an offsite by the executive team and framed on the wall in the office and factory lobby. These are ideals. Perhaps at best hope. What the organization aspires to be and what values one hope to endorse, may be different from the values, beliefs, and norms expressed in the organizational actual practices and behavior. It is critical that we find out who we really are as well as striving for who we want to be. Awakening the emperor to the fact that he/she has no clothes is often a risky and delicate first step in closing the gap between the real and the ideal. Or the financial controller, who brings the bad news of poor bottom line when the SBU Heads should have actually been called, accounted for and dispensed with. Cultural assessment can provide measurable data about the real organizational values and norms that can be used to get management's attention. It can dispel some of management's illusions about what really matters in the organization and will tell them how far off the mark things really are. Management may find that it is not practicing what it preaches. However, telling the CEO the truth about the organization he/she has built, can often be dangerous to your career progress. Delivering such a message takes skill as a coach and a willingness to take risks and confront conflict.



### **Basic Assumptions, Values and Norms Drive Practices and Behaviors**

The culture of an organization operates at both a conscious and unconscious level. Often the people who see the culture more clearly are those from the outside--the new hires, the consultants or vendors. When coaching or advising senior management, remember that culture comprises the deeply rooted but often unconscious beliefs, values and norms shared by the members of the organization. Those not living inside the culture can often see it more objectively.

*Culture* drives the organization and its actions. It is somewhat like "the operating system" of the organization. It guides how employees think, act and feel. It is dynamic and fluid, and it is never static. A culture may be effective at one time, under a given set of circumstances and ineffective at another time. There is no generically good culture. There are however, generic patterns of health and pathology.

### **Culture Operates at Various Levels - The Visible Artifacts to the Deeply Rooted Unconscious**

Culture can be viewed at several levels. Some aspects of culture are visible and tangible and others are intangible and unconscious. Basic assumptions that guide the organization are deeply rooted and often taken for granted. Avoidance of conflict is a value that is an excellent example of an unconscious norm that may have a major influence on the organization but is frequently unconscious. For an insider, this is difficult or impossible to see, particularly if the individual has "grown up" in the organizational culture. Recently hired employees, the external consultant and the executive coach is frequently in the best position to identify these unconscious assumptions or values. Espoused or secondary values are at a more conscious level; these are the values that

people in the organization discuss, promote and try to live by. All employees of Hewlett Packard, for example, are required to become familiar with the values embodied in the "HP Way."

### **How does Culture manifest and influence patterning?**

In reality, what management pays attention to and intrinsic rewards ( work, life, satisfaction, quality, home, health, welfare) is often the strongest indicator of the organization's culture. This is often quite different than the values it verbalizes or the ideals it strives for. Think for a minute about the organization in which you work. Does your management encourage or discourage innovation and risk taking? Does it reward employees for coming up with new ideas and challenging old ways of doing things or punish those who challenge established norms and practices? Do mavericks fit in or do they get pushed out? Is rapid change the norm in your organization or does management vigorously protect the status quo? Does the organization truly value excellence or is the mentality simply "just ship it"? Does management pay attention to the wellbeing of its employees or is it completely focused on task performance and profits? Does a high level of employee participation characterize the culture or does senior management make most decisions? As you can probably see from your own responses, this kind of inquiry can give insight into the real culture of your organization and some of its underlying values and norms. It may not even resemble the culture management thinks it has created.

Culture implies some level of *structural stability* in the group - shared, deep-rooted & stable. The other element that culture implies is *patterning* or integration of the elements into a larger paradigm. Culture formation is therefore, a striving toward patterning and integration

Culture is best understood as we research into various organizational, business and operational elements that determine formation of culture. Some aspects are:

- A mission statement
- Values, concerns and business ethics
- Terms of employment
- Form of organization
- Importance of network relationships
- Approach to decision making
- Location or pattern of authority limits, delegation powers, authority matrix
- Communication practices
- Sharing of information
- Criteria for Assessment
- Delegation of authority
- Emphasis on teamwork
- Focus on Quality
- Degree of Specialization
- Tolerance of diversity
- Speed of Action
- Method of Control
- Extent of mutual trust
- Commitment to learning and development
- Openness to outsiders
- Sensitivity to value and feelings

In addition there are focused determinants that influence patterning as they impact culture and the way work organizes to deliver results. Illustratively some of them are company history and traditions, Corporate vision and mission; Culture associated with its business sector. And culture

of its headquarters' nation, Culture of its leadership team or professional groups, Culture of its key networks/ relationships, External attitudes and expectations, Form of organization and method of operation, Homogeneity of beliefs and values etc.

And, critical add on requirements supporting above being:

- The organizational structure of reporting and relationships
- Company policy
- Personnel practices
- Work flow and work loads
- Job design
- Management and supervisory styles.
- Leadership and its commitment to impact change.

**Thus for studying Dimensions of Culture – External and Internal Integration is the next step.**

External and internal integration forms the 2 dimensions of a culture. External environment deals with Vision and Mission, Goals and objectives, means to achieve goals, measuring results, effecting change if any. Internal integration includes common language, accepted norms of behavior, generically done activities, existing groups and coalitions, group boundaries for inclusion or exclusion, distributing power and status, developing norms, allocating reward and punishment, explaining the unexplainable situations as they exist in organizations. Concurrently culture provides consistency, validity on one's way of understanding actions of colleagues, set of roles that have established over time, order and structure and creates an internal way of life. It

also determines the conditions for internal effectiveness, the nature and use of power, sets expectations and priorities, let people know how close they can get to one another, and provides framework for addressing, managing and resolving conflicts. Yet there are things which can affect the organizational culture on an individual or personal level. Some of this could be:

- Sheer perception
- Personal disposition
- Levels of trust
- Risk taking
- Personal goals and ambition
- Nature of work and the environment
- Pre conceived notions,
- Nature of experience encountered
- Pre determined assumptions
- Stress
- Fears and anxieties
- Social interaction
- Expectations
- Factions and politics

**An attempt has been made the researcher to bring together a definition in regard to culture.**

### **Culture Definition**

*The culture of an organization or an institution is an amalgamation, a summation of the values, beliefs, experiences and assumptions of the people and the processes in an organization. (Add to it organization and management type and nature). It is not linear and is largely octopus like. It can be experienced in the implicit rules and expectations of behavior in an organization where, even though the rules, policy frameworks are not formally written down employees know what is expected of them. In fact more often than not culture cannot be found in written documents. Management (Leadership) whose decisions on policy, strategy and implementation usually help facilitates the culture of the organization and usually set it too. The organizational culture usually has norms, artifacts, and actions, stories and sagas that support the organizational actions and goals. A collective programming of the mind which distinguishes one category of people from another. (Hofstede 1980)*

### **A Formal Definition**

Schein (1982) Organizational culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation, internal integration. And that have worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

*Organisational culture may be thought of as the manner in which an organisation solves problems to achieve its specific goals and to maintain itself over time. Moreover, it is holistic, historically determined, socially constructed and difficult to change* (Hofstede ET al., 1990).

### **Classification of Definitions of Organizational Culture**

It has been observed with respect to the concept of "power" that its omnipresence makes it difficult to usefully apply in specific situations (*Pfeffer, 1981*). The same may be said of "culture". If it is everywhere, and pervades every aspect of our existence, then how can it be subject to analysis, Schein (*1992*) offers at least a partial solution.

Schein divides organizational culture into three levels:

- 1) At the surface are "artifacts", those aspects (such as dress) which can be easily discerned, yet are hard to understand;
- 2) Beneath artifacts are "espoused values" which are conscious strategies, goals and philosophies;
- 3) The core, or essence, of culture is represented by the basic underlying assumptions and values, which are difficult to discern because they exist at a largely unconscious level, yet provide the key to understanding why things happen the way they do. These basic assumptions form around deeper dimensions of human existence such as the nature of humans; human relationships and activity; reality; and truth.

Schein (*1992*) himself acknowledges that, even with rigorous study, we can only make statements about elements of culture, not culture in its entirety. The approach, which Schein recommends for

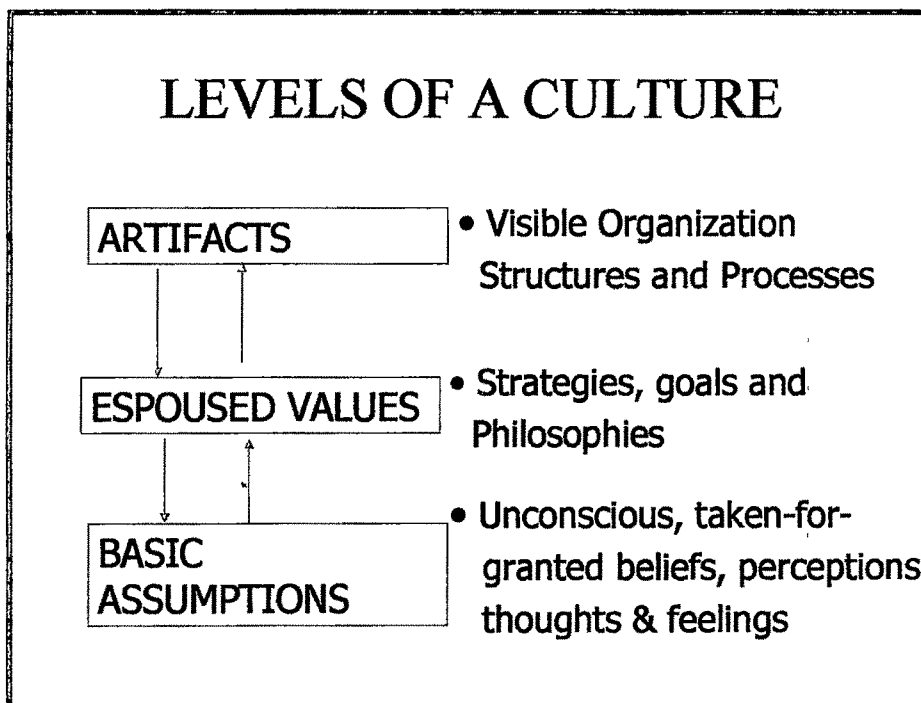
inquiring about culture, is an iterative, clinical approach, similar to a therapeutic relationship between a psychologist and a patient. Schein's disciplined approach to culture stands in contrast to the almost flippant way in which culture is referred to in some of the popular management literature.

Essentially culture is an all pervasive collective behavior. And tacit assumptions are those that are subtle, unconscious, difficult to surface, cannot confront or debate, taken- for- granted, theories-in-use, unknown signals, assumed practices, informal understandings. Yet tacit assumptions surface when challenged or when put to personal and dignity risk. Or when there is challenging position on identity. Dimensions of tacit assumptions being humanity's relationship to nature, nature of reality and truth, nature of human performance, nature of human activity, nature of human relationships. Tacit assumptions become visible when a person articulates his/her perception. Values are cognitive sub-structure of culture and determine what people think ought to be done. Commonly espoused and original ideas stated by a leader & accepted as values to reduce uncertainty in critical areas of the group's functioning and form as a guide as a way of dealing with intrinsically uncontrollable or difficult events. And beyond, reasonable understanding of what might appear to be culture lies a whole new meaning that has emerged as important elements, being artifacts, espoused values and basic assumptions. Artifacts are visible and superficial manifestations, product of human action, has an aim, a physical presence and sub categories of artifacts include, symbols, behavior patterns, language, technology, rules, systems, procedures and programs. The sources of organizational culture depends on the societal or national culture within which an organization is physically situated, the vision, management style and personality of an organization's founder or other dominant leader and the type of business an organization conducts and the nature of the business environment.



- Artifacts are observed, they exist and become what is understood as the done thing. And in many ways do not follow a pattern beyond what organizational members believe and practice it. Some of the most visible expressions of the culture are called *artifacts*. These include the architecture and decor, the clothing people wear, the organizational processes and structures, and the rituals, symbols and celebrations. Other concrete manifestation of culture are found in commonly used language and jargon, logos, brochures, company slogans, as well as status symbols such as cars, window offices, titles, and of course value statements and priorities. An outsider can often spot these artifacts easily upon entering an organization. For insiders, however, these artifacts have often become part of the background.
- Espoused values (Deal and Kennedy, 1982) could be adaptability, autonomy, cooperation, creativity, equality, and honesty, rationality. Empathy is another visible identification for culturally permissive organizations.
- Basic assumptions are mental maps - cognitive stability and are dealt with when a solution to a problem works repeatedly, it gets taken for granted. For example some examples are:
  - “The boss is right”. “All our employees need to be pushed”. “Our people will sacrifice for the company”
  - We are all in it together
  - We are the best
  - Reinforcement achieved through sharing
  - A need to understand, learn, contribute and get accepted
  - Makes a culture vulnerable to environmental vagaries or unpredictable scenarios

- Those in this organization we value, as they form the intellect and as we are a thinking company.
- Makes the culture emerge strong in familiar environments and thin in unknown contexts.
- And strongly influence reason, communication, interpersonal relationships, and decision-making....



**Figure 1: Levels of Culture (Schein 1982)**

While the above indicates where we identify and nurture towards a unified culture, there are also some characteristics that differ, quite strongly in very many situations.

Culture implies the existence of certain dimensions or characteristics that are closely associated and interdependent. Language spoken within the context, the usage of content for justifying a position or personal point of view, examples quoted to prove right and wrong all demonstrate inter relatedness. But most researchers make no effort to specify these characteristics. Rather, they talk of culture as some abstract “milieu.” Culture has since time come to be understood as complex yet within our grasp of attempting definitions and scoping its usage. If culture exists, and we argue that it does, it should have distinct dimensions that can be defined, reasonably understood, available for interpretation and measured. Culture provides an opportunity for a dialogue in an institutional context. Toward that end, we propose that there are ten characteristics that when mixed and matched tap the essence of an organization’s culture. While the whole of organizational culture maybe somewhat different from the summation of its parts, the following represent the **key characteristics along which cultures differ.**

- **Individual Freedom and Autonomy.**  
The degree, of approachability, defined borders, values time, responsibility, freedom, and Independence that individual either has or has chosen to retain/give up for a purpose or otherwise.
- **Risk Approach and tolerance.** The degree, to which people identify with their self, define their territory, enable their appreciation of encroaching upon boundaries and are encouraged to be aggressive, innovative, and risk seeking.
- **Goals and Path driven direction.** The degree, to which the organization or the individual defines an end objective, establishes policies, creates individual or group goals and performance expectations and enables systems to monitor and manage performance.

- **Combined Integration.** The degree to which units within the organization are governed by common purpose, are encouraged to operate in a coordinated manner and share consequent risk and reward commensurate with their tasks and challenges.
- **Management Inclination, mutuality and support.** The degree to which a management provides opportunity to contribute, nurtures an enabling environment, handles power and politics, defines vision, clears communication, provides development and assistance, and support as essential to their subordinates.
- **Structural Chain of Command and Control.** The degree to which an organization provides appropriate configurations, defines roles, demarcates competencies, attempts to manage through a number of rules and regulations and the amount of direct supervision that are used to oversee and control employee behavior.
- **Self-Diagnosis, Identity and Group Synergies.** The degree to which members identify with self, their peers and groups, the organization as a whole rather than particularly or exclusively with their work groups or fields of professional expertise.
- **Motivational Tools of Reward system.** The degree to which reward allocations (i.e., salary increases, promotions) are based on employee performance criteria in contrast to seniority, favoritism, and so on.

- **Conflict happening, management and tolerance.** The degree to which employees are encouraged to air conflicts and criticisms openly.
- **Communication patterns hierarchical trends.** The degree to which organizational communications are restricted to the formal hierarchy of authority.

These ten characteristics include both **structural and behavioral** dimensions. For example, management support is a measure of leadership behavior. Most of these dimensions, however, are closely intertwined with an organization's design. To illustrate, the more routine an organization's technology and the more centralized its decision-making process, the less individual initiative employees in that organization will have. Similarly, functional structures create cultures with more formal communication patterns than do simple or matrix structures. Close analysis would also reveal that integration is essentially an indicator of horizontal interdependence. What this means is that organizational cultures are not just reflections of their members' attitudes and personalities but also involves members who are implicitly or explicitly involved in the institutional experience. A large part of an organization's culture can be directly traced to structurally related variables. In addition a significant amount of variable that are business process related are involved in influencing, impacting and resolving culture variables. Several connected and unconnected organizational factors turn relevant when a study of culture is undertaken

These archetypes are very seldom found isolation. In practice, most organizations (except for the very small) have features of each. Some conclusions may be drawn, however. Whichever the dominant culture, the main concerns are:

- Relationships between people, hierarchies, authority, reporting, attention to task and interaction during work;
- Standards, of behavior, attitudes and performance; of integrity, honesty and openness; of mutual respect and regard;
- Values and shared values, the basis on which these are established, and the gaining and maintenance of commitment; the creation of a strength and identity of purpose;
- A management and organization style that is suitable both to productive and effective work, and also to underpinning the standards and values that ensure this can take place;
- Expectations and aspirations, ensuring that what the organization offers is clearly understood at the outset by all who come to work in it and reconciling these with those of the people concerned.
- Being positive and dynamic rather than negative, emergent and inert;

- Working within the pressures and constraints present in particular situations, locations and types of work; and devising means by which these two can be reconciled with organizational purposes; aims and objectives;
- Establishing universal interest in the success and future of the organization; reconciling and harmonizing the divergence of interests, personal and professional aims and objectives within the organization's overall purposes;
- Establishing strength of identity between staff and organization; a common bond; pride and positive feelings in belonging to the organization; and a team, group and organization spirit.

### **Understanding Interventions through archetypes, typical patterns for a better understanding of how culture works**

These archetypes are very seldom found isolation. In practice, most organisations (except for the very small) have features of each. Some conclusions may be drawn, however. Whichever the dominant culture, the main concerns are:

- Relationships between people, hierarchies, authority, reporting, attention to task and interaction during work;

- Standards, of behavior , attitudes and performance; of integrity, honesty and openness; of mutual respect and regard;
- Values and shared values, the basis on which these are established, and the gaining and maintenance of commitment; the creation of a strength and identity of purpose;
- A management and organisation style that is suitable both to productive and effective work, and also to underpinning the standards and values that ensure this can take place;
- Expectations and aspirations, ensuring that what the organisation offers is clearly understood at the outset by all who come to work in it and reconciling these with those of the people concerned.
- Being positive and dynamic rather than negative, emergent and inert;
- Working within the pressures and constraints present in particular situations, locations and types of work; and devising means by which these tow can be reconciled with organizational purposes; aims and objectives;



- Establishing universal interest in the success and future of the organisation; reconciling and harmonizing the divergence of interests, personal and professional aims and objectives within the organisation's overall purposes;
- Establishing strength of identity between staff and organisation; a common bond; pride and positive feelings in belonging to the organisation; and a team, group and organisation spirit.

**And archetypes are followed with Norms as the rules, practices and as they are understood and followed**

Norms are the rules that the organization agrees to follow as it conducts its work. Norms may be written or may evolve as unwritten understandings over time. Most newly organizing activities find it effective to start out with an initial set of norms with the understanding that these will need to be reviewed and modified frequently. Some organizations decide to review norms at the beginning or end of each meeting. The establishment and adherence to norms helps build discipline, trust between members, and supports a safe environment. While norms may touch on any aspect of behavior the following are most commonly included: Meetings will start on time. (Some include a penalty for being late. This may involve a small standard contribution to the team recreation fund, the requirement to take notes at the next meeting, or as one innovative team determined, the requirement to sing a few lines of the song of the team's choosing.) A designated scribe will take minutes and publish them for all. An agenda is published in advance and an initial step in team meetings is to agree on the amount of time allowed for discussion of each topic. Decision-making is by consensus. Consensus hopes for unanimous support. Individual team members may not fully agree with a team decision, but will fully support it. Silence means

consent. Since all team members are expected to contribute their views on issues and concerns, when the member achieves consensus, those remaining silent are understood to be supporters of the decision. Absence may also mean consent when the organization agrees that absent members will be given notice of decisions and the opportunity to express concerns prior to the decision becoming final. Members agree to hold themselves and each other accountable for meeting commitments made to fellow team members. High Performance cultures usually includes the following norms: No Zingers are put-downs or cheap shots directed at fellow members. Zingers, while common in the some cultures, show a lack of respect for team members and cause individual team members who receive zingers to mentally withdraw from team participation. Celebrate Success. High Performance cultures take time-out to recognize small steps or progress towards milestones or objectives. This act of recognizing small victories is essential in the development of team confidence and commitment. Any team member for recognition can identify individual contributions as well as overall team results by the entire team. Celebrations may take different forms but most often might involve a simple team cheer. No Rank/All Peers. While it is best to start out with an elected or designated team leader, High Performance Teams strive to achieve a state where leadership migrates from one team member to another to take advantage of the skill or abilities of different team members as the topic or situation changes. A critical success factor in the development of High Performance cultures is the concept that all team members are equal in decision making and that every team member is valued and has a contribution to make. It is the responsibility and obligation of every team member to identify the skills and talents of all other team members and to encourage each team member to employ those talents in the teams progress toward objectives. Have Fun. Working on a High Performance organization can and should be fun. But the team needs to recognize the importance of play in developing team spirit and morale. Deadly serious teams can create a Titanic mentality that will significantly lower chances for success. Humor and fun, so long as it is not at the expense of others, can help build energy and improve the organization ability to succeed. Time out needs to be taken for fun. This

can be in the form of team building activities, brainteaser problem solving or new learning such as juggling, or drawing, poetry or song writing. Quality Reviews. The organization needs to consciously set time aside to monitor the quality of its work and progress towards goals. These quality checks can be as short as a minute or two where one member asks the others, "what did we learn? How could we improve our performance, based on what we have observed over the last few hours or days?"

**And the need for Value based Ethical Features of organizational culture can also be articulated together with an understanding of pressures and influences.**

The effects of rites, rituals, routines, habits, badges and status symbols all lie in the value that the organization places on them and the regard in which they are held by the members of staff. There is no point in offering anything, or in undertaking any form of cultural activity if a negligible or negative response is received. In general therefore, these forms of **culture development** both anticipate people's expectations and seek to reinforce them and to meet them.

Dysfunctional aspects of culture are a reality as we study culture. Culture is a liability when the shared values do not agree with those that will further the organization's effectiveness. This acts as a hindrance when the organization's environment is turbulent. And Culture is a Barrier to change. Consistency in behavior is acceptable in a stable environment, but is a roadblock in turbulent environment. Companies have had difficulty in adapting to upheavals in their environment due to their strong cultures that are driven by shared historical experiences and attitudes, Traditions and customs, Social, political and religious values, Education and process of socialization, Degree of homogeneity or presence, Perception and Knowledge base. Barrier to diversity is driven by strong cultures enforce conformity, limit the range of values and styles that can vitalize the functioning of an organization, insulate organizations from getting a fresh outlook

to its problems and opportunities and act as an obstacle to mergers and takeovers. Cultural influences in turn deal with physical environment, economic and social infrastructure, built-environment, life-style pace and quality, language, communication and interaction, media and communication infrastructure, behavior patterns, customs and habits. Culture as a consequence does provide for leadership influence and there are ways that leader can create and maintain the desired culture. These include, being a "role model" or example for the staff by actually behaving in the way that s/he wants them to behave. And rewarding appropriate behavior in some way, communicating to staff what behavior is desired in as many ways as possible, providing training in order to highlight the activities that support the sort of climate that the manager is trying to encourage.

High Performance cultures is created with a mission or purpose in mind. This purpose or mission should be expressed in the form of a written charter. Over time cultures develop their own set of norms. Norms are rules or guides for team behavior and decision making. The idea of using cultures to solve problem and achieve results is based, in part, on a concept that the collective brainpower of an organization far exceeds the ability of any manager. Therefore, to a large degree, cultures are self-directed. High Performance cultures are also empowered. People are motivated by the challenge of achieving dramatic results within a short time-frame. It is quite normal for people in these cultures to thrash and churn during the early stages of development. This will usually appear chaotic to outsiders and members alike. It is also normal for 75 percent of the real work of a an organization to be accomplished during the last 25 percent of the time allotted. Members are expected to learn as they work together. Often the scope of work of a team touches or involves the activities of many people beyond the team itself-this external group can be referred to as the community of interest that must be included in the team's communication loop. All members experience a shortage of resources. This phenomenon must be understood, expected, and available resources defined for the organization from its inception.

**For this would reflect in the Pressures and influences on organization culture for which Leadership is an important factor**

Organizational culture at its evaluation stage encounters known and unknown, unobservable pressures. The particular attitudes, values and ethics of the nature, geography in which business is to be conducted and from where the organization staff is to be drawn will create external pressures. In many parts of the world this includes religious, social and influential pressures. Other forms of prejudice may also have to be taken into account; for example, some people do not readily accept direction from women or members of particular racial or ethnic groups. At times these pressures are mandated, as we would see under legal pressures. Local working practices, rituals and customs, especially those relating to hours of work, peer working norms, physical setting of work groups, festival working, holidays enjoyed, working spouses, and ways of working, have also to be considered. In some parts, activities close down for several hours in the middle of the day; in others, people start and finish early, for example. Afternoon nap in some situations is a practice and is not frowned upon. And the leader has a role in influencing what activities are pursued or not.

Religious and communal pressures are a reality as the New World order develops. In some cases also, strong pressure is placed on people to accept the invitation to dine out with colleagues and groups drawn from the rest of the organization. While this may be presented as an invitation it may actually be an instruction, and rejection of this is likely to be detrimental to the career or prospects of the individual and the general respect in which she is held. In some situations physical distance affects culture as they deal with proximity to perceived powers, leaders, office location etc. The inability to see and meet others when work is being carried out in a foreign location or one remote from the main organization. This has effects on the structuring and

ordering of tasks and activities, relationships between the staff at the location, and making processes, and the attitudes and approaches to local problems and issues. Those at the location, and especially the person with overall responsibility and control, are likely to experience feelings of isolation from time to time and may need to be supported if the overall effectiveness of that part of the organization is to be sustained.

Psychological distance has an equivalent degree of impact in several cases. It is likely to exist as a feature of physical distance even if there is a full range of physical, electronic and telecommunications available. At best it may even be that using equipment perhaps is more important than face to face meeting. Psychological distance is also certain to be present to a greater or lesser extent between the organization and the local community at least at the outset, and it is also likely that this will never quite be removed. The organizations own culture and the interaction of its prevailing attitudes, values and beliefs with those of the locality have also to be considered. Strong prevailing practices and standards may have to be reconciled and harmonized between organization and community. This is best achieved if a high level mutual understanding, respect and interest is developed quickly, and if high overall standards of probity and integrity are also established.

Life styles have caused undue hardship to people living over time together and as income levels change so do their disposition to their old society. Standards of living and the wider expectations of the community should be considered from the point of view that there is no point in offering high levels of material reward if these are not valued by the people of the location. There is no point in offering promotion and advancement prospects if people do not want to move from the area. The organization's success in a particular location therefore involves understanding its expectations, and presenting and harmonizing its own objectives and interests in ways compatible to all.

**As we move from archetypes, patterns, norms, beliefs and artifacts, values, then form the core of our understanding on how does culture get embedded**

Reputation, ethics and image impacting areas must be seen from all points of view. The organization may go into a given location for commercial advantage but with preconceived ideas or prejudices (which may either be positive or negative). The organization may bring with it a particular reputation (again, positive or negative) and, again, either about itself or the sector which it represents or within which it operates. There may be wider questions of prejudice, fear and anxiety to be overcome as the organization tries to live up to (or live down to) its reputation. Areas that have had bad experiences of multi-national activities in the past, for example, may be anxious about the next influx. People believe and live by the image we have created by our actions in the organization. That this is an important consideration is seldom realized as leaders act upon their decision-making compulsions and bottom line pressures. The activities of stock markets, and the price and values of shares all bring pressure from time to time. This becomes acute when questions of confidence or possible takeovers and mergers- and therefore changes- are raised.

All organizations have to work within the laws of their locations. These exert pressure on planning, logistics, travel, transportation, production methods, waste disposal, health and safety, marketing and selling, contractual arrangements, staff management, human resources, industrial relations and the equality (or otherwise) of opportunity and access, community relations, organizational and professional insurance, and the reporting of results. Pressures are compounded when the organization operates in many countries and under diverse legal codes. Balances have to be found in these cases to ensure that, as far as possible, everyone that works for the organization does so on terms that transcend the varying legal constraints. Law of the land is an

inevitable follows me syndrome. It is made to appear that there is no choice and we shall do so. Organizations are therefore obliged to set absolute standards which more than meet particular legal minimal. Moreover, the phrase 'We comply with the law' invariably gives the message that 'The only reason that we set these standards is because we have to', and that the organization has therefore been pressured into these standards rather than achieving them because it believes that they are right. It calls into question not just the organization's attitude to the law, but also its wider general attitudes, values and standards.

Value challenging pressures arise from the nature of work carried out and from the standards and customs of the communities in which the organization operates. There are also general ethical pressures on many activities concerned that are covered by the law; examples of these pressures are given in box enclosed. Again, the ideal response of any organization is to put itself beyond reproach so that these pressures are accommodated and leave the way clear to developing productive and harmonious relationships with all concerned.

Values and Ethics, is it a value, art or science? It is a subject about which there has been and still is an immense amount of difference of opinion, inspite of all the time and labor which have been devoted to its study. In the business environment, managers are also often cornered, sometimes compelled into situations, which require ethical decision-making. There is possibly no single way to explain conceptually or realistically the imponderables that work role professional encounter while performing a job. It is also eminently possible for counter points of view and perspective to emerge whenever a debate ensues. Nevertheless organizations have to reckon with clarity and precision on the stand and conviction that they wish to demonstrate as far as ethics and values are concerned.



Experts in human behavior argue that ethics and values are learned as a natural part of human development, derived from school, religion and other influences. Some authorities say that ethics as the innate notion of right and wrong and cannot be taught to an adult. This means that an individual has to be shaped as honest and upstanding (or devious and venal) long before he or she sets foot in a corporate sector. Countries and the corporate that form an integral part of the economy try hard to avoid dealing with value based issues that they are confronted with on a day to day basis unless forced to do so. This has an economic, survival instinct on the one hand and a unexplainable hesitation to deal with the soft aspects of resolving an ethical dilemma, on the other hand. Several types of "professional" excuses are abundant when a potential value conflict surfaces while getting things done. Or for that matter when consumerism and corporate values clash the reality of conflicts are inevitable. . Over time these practices become precedence and the fundamental value of dealing with ethics upfront loses its importance. After all we have done it before and it has worked why not now? To the individual manager value based conflicts tend to be largely personal, seldom corporate in nature or intensity. It turns corporate only when the espoused value is real and happening in the company. In performing these value based roles managers see its application on a commercial basis if that is what they have been trained to do so. Alternatively conflicts emerge when the decision-maker is unable to cope with commercial conflicts as differentiated with those of personal conflicts. Managers are people whose identities are composed of a network of roles, which are clusters of rights and duties within an socio-economic function. All organizations are in important respects social networks and need to be addressed and analyzed as such. The actions (attitudes and behaviors) of actors in organizations can be best explained in terms of their position in networks of relationships. Networks constrain actions, and in turn are shaped by them. Part of being a good manager is being aware of the moral dimensions of one's roles in the context of the networks and the organizations that they represent. Managers can unwittingly engage in a wide range of role-related acts that are regarded as

ethically questionable. A larger question before us is whether managers get to see this dissonance between what is being perceived as unethical to what is being practiced.

A survey of HBR subscribers reveals that the biggest issue is not defining sexual harassment but recognizing it when it occurs. An issue debated as way back as in 1981. Or as late as in 1990 did the US government enact the “1990 Americans with Disabilities Act” that limits the use of medical tests by employers. Because of this tests designed to reveal a physical or mental impairment are permitted only under special circumstances.

**This is followed by Value based Ethics** that is concerned primarily with the relationship of goals and techniques as applied to execution of the stated goals towards an intended output/result through a set of means and processes to specific human ends. And it impacts culture. And can also be defined as an attempt to ascertain the responsibilities and ethical obligations of professionals. Here the focus is on people rather than issues, and the primary question deals with how an individual with how individuals should conduct themselves in fulfilling the ethical requirements of their business lives. Peter Drucker argues that business professionals are no different than other professionals in that they should abide by what technically in the academic discipline of ethics is referred to as the “principle of non maleficent”. It studies the impact of acts on the good of the individual, the firm, the business community, and the society as a whole. Crossing horizons of definitiveness is real in any pursuit of a meaningful debate on ethics. In fact it is essential for reaching a sense of conclusion, if possible. While it does not concentrate on the obligations, neither mandatory nor insisted, which a person has as a private individual and a citizen, these creep into the socio-economic system which governs business itself as businessmen are not people who are far removed from any ordinary citizen.

Laura Nash(1981) deals with the issue stating “Ethics without the sermon”. The twelve issues dealt by Laura Nash addresses the basic question: “Is my business decision also an ethical decision?” Nash provides a framework that demonstrates the importance of critical thinking in business ethics where the goal is a corporate practice that does not foster unnecessary social harm. She emphasizes that her program works in a concrete setting; that it is not utopian, philosophical abstraction

### **And a processes of Responsibility and Obligation that goes with establishing culture**

This means that, through value based ethics we are able to closely study the special obligations, which a person and a citizen accept when he/she becomes a part of the world of commerce. Obligations in any event necessitate a reciprocal behavioral pattern in sync with individual values and beliefs viewed concurrently with those of the firm. Ethical congruence is the alignment of an organization's stated values, the decisions of its leaders, the behaviors that are encouraged by its systems and the values of its employees. The leader's responsibility is to give employees guidance: what values we expect/require employees to demonstrate, in what priority and how "absolute" those priorities are. Before a business can reach ethical congruence it must be clear on what it truly values. There must be a clear definition and articulation of values, beliefs, core philosophies, norms and ideals that the organization chooses to follow, practice over good and bad times and wishes to stand by them under any circumstance. Once stated, agreed, articulated, this core operational and execution/implementation philosophy has to be tested for compatibility and acceptability with business vision, mission, core strategy and tactics, short and long term goals and objectives and expected behavioral outcomes.

## **Together with Courage for the execution roles played by leaders**

We would like to draw a parallel to what Donald F. Van Eynde (1998) calls as the Case for courage in Organizations. “ Managerial courage is defined as the willingness to do what is right in the face of risk”. Value based ethics deals with courage to act upon what we believe in and the willingness to sacrifice for the purpose. Risk here means a real or perceived danger to oneself or one’s reputation or one’s career. And includes such actions as confronting the status quo, embracing change in the face of resistance and opposing a popular but unhealthy idea. It means doing what is right, and what needs to be done. The determining factors are values and the other is the situation of power and position that the incumbent has to cope with to do what he believes in.

**In effect, for cultures,**

- There is no “right” or wrong about an organization’s culture
- “It” exists and is observed, commented upon, criticized, or praised
- Culture is what the leader and his people choose to adopt
- What one sees, hears and feels when encountering a new group
- The visible products such as the architecture of its physical environment, language, technology and products, easy to observe - difficult to decipher.

**In which case Why Assess Culture? Fundamentally to close the gap between the real and ideal culture and to establish an organization form and architecture for managing performance.**

Why would a company be interested in assessing its culture? If the organization wants to maximize its ability to attain its strategic objectives, it must understand if the prevailing culture supports and drives the actions necessary to achieve its strategic goals. This is performance oriented. Cultural assessment can enable a company to analyze the gap between the current and desired culture. Developing a picture of the ideal and then taking a realistic look at the gaps is vital information that can be used to design interventions to close the gaps and bring specific elements of culture into line. If the competitive environment is changing fast, your organizational culture may also need to change. However, one may only need to change some of its practices and secondary values while keeping a few precious and non-negotiable core values intact. Often an objective assessment tool can be zero in on a limited number of elements of culture that need to change, rather than embarking on the futile attempt to change the entire culture. Value and Goal Alignment across Subcultures, Divisions and Geographic Regions have become essential in understanding cultural impact on organizations.

In many companies there is a strong dominant culture that is pervasive throughout the organization and across business units or even regions. This kind of organization is said to possess a high level of cultural integration. However, often the culture in large organizations is not singular or uniform. Organizations can vary widely in terms of the degree of cultural integration and the strength of the *subcultures* that coexist. Multiple cultures or Subcultures may share certain characteristics, norms, values and beliefs or be totally different. These subcultures can function cooperatively or be in conflict with each other. In general, subcultures can differ by

function, (engineering vs. marketing), by their place in the hierarchy, (management vs. administrators, assistants) by division, by site, or by geographic region and country.

It may be both undesirable and unrealistic to try to homogenize the organization across all of its parts. Still, a thoughtful assessment of the culture can facilitate the alignment of values and strategic goals across subcultures and geographic areas. It is very important for global companies to tolerate and support a certain amount of cultural differentiation. Yet there may be a core of values, a subset of four or five deeply held principles that management thinks should cut across subcultures, divisions, and international settings. In addition Individual-Organization Fit has been seen as a context to leadership relevance to organizational performance and architecture.

Corporations that are growing fast must hire a large number of new employees. It is critical that these new hires are a good fit with the current culture. If an individual is out of synch with the culture, the organization's cultural antibodies will often attack. However, there must also be a good fit with the culture that you are trying to create. It is now possible to make hiring decisions based on quantitative assessment of the compatibility between the candidate's personality, values and behaviors and both the current and desired culture.

Today the pace of change is so rapid, particularly in the high tech industries. Only organizations that can adapt to this fast changing environment can survive. However, as **Built to Last**, by Jim Collins and Jerry Porris (Andersen 2002 Partner's Conference Speech) has demonstrated, enduring great companies are usually built on both a solid foundation of timeless core values, but also on the adaptability of their behavioral practices, secondary values, structures and other cultural artifacts. The secret to a company that will last is its ability to manage both continuity and change. Such companies are capable of responding with nimbleness to the environmental drivers that necessitate change in strategy and practices. These drivers include: rapid

technological change, changes in industries and markets, deregulation, aggressive competition, the global economy, increased organizational complexity, new business models. Getting a profile of the current culture can enable organizations to thoughtfully bring the elements of the culture into alignment and move forward towards an ideal.

Organizations develop cultures whether they try to or not. If the intention is to appraise individual-organization fit, align culture with its strategic goals, understand subcultures, assess mergers and acquisitions partners, or to make organizational changes in practices or values, understanding your culture in an objective manner can give the CEO a business advantage and spare CEO enormous time and money. Not understanding culture in today's business world can be fatal.

**To provide a framework for different types of cultures as compared to the Schein model an alternative Culture Analysis has been presented here. This is to enable us to evaluate and study the varying dimensions and definitions of each of the cultures, and bring out its relevance to this research, if any.**

### **Power culture**

- This is where the key relationship exists between the person who wields power and influence, and those who work for them. It depends on the figure at the center that is the source of power. Everyone else draws their strength, influence and confidence from this centre and requires its continued support to ensure prosperity and operational viability. The relationship is normally terminated when there is a loss of confidence on the part of the person at the

centre of power with those who work for her. Individuals generate power cultures when they attract those who have faith in them and who wish to be involved with them. The main problem that a power culture must face is that of size. As it grows and diversifies, it becomes difficult for the person at the centre to sustain continued high levels of influence. There is also the problem of permanence, of what happens when the person at the centre of power passes out of the organisation. In situations where she has generated the ideas, energy, identity and strength of the situation, a void is let when she leaves or dies. The structural form of the power culture may be seen as like a spider's web, or wheel. The main relationship between the subordinates is with the centre. The key relationship is with the centre or source of power, hence no joining lines between the 'spokes'. The key issue is the continuation of confidence and reciprocity between the two.

### **People/person culture**

- People/person culture exists for the people in it: for example, where a group has decided that it is in its own overriding interest to band or form together and produce an organisation for its own benefit. This may be found in certain research groups; university departments; family firms; and companies started by groups of friends where the first coming together is generated by the people involved rather than the matter in hand. The key relationship is therefore between people, and what binds them is their intrinsic common interest. Hierarchy





and structure may evolve, but these too will be driven by this intrinsic common interest. The key relationship is between the people; what binds them is their intrinsic common interest. Hierarchy and structure may evolve incidentally; they too will be driven by this intrinsic common interest

### Task culture

- Task cultures are to be found in project teams, marketing groups and marketing-oriented organisations. The emphases are on getting the job completed, keeping customers and clients satisfied, and responding to and identifying new market opportunities. Such cultures are flexible, adaptable and dynamic. They accommodate the movements of staff necessary to ensure effective project and development teams and continued innovation; and concurrent human activities such as task forces, project responsibility and short term contracts. They are driven by customer satisfaction. They operate most effectively in prosperous, dynamic and confident environments and markets. They may also generate opportunities and niche activities in these and create new openings. Their success lies in their continued ability to operate in this way. The key relationship here is with the tasks. The form of organisation is therefore fluid and elastic. The structure is often also described as a MATRIX, or GRID; none of these gives a full configuration- the essence is the dynamics of the form, and the structure necessary to ensure this.

### **Role culture**

- Role cultures are found where organisations have gained a combination of size, permanence and departmentalisation, and where the ordering of activities and preservation of knowledge, experience and stability, are both important and present. The key relationship is based on authority and the superior-subordinate style of relationships. The key purposes are order, stability, permanence and efficiency. Role cultures operate most effectively where the wider environment is steady and a degree of permanence is envisaged. Other forms may also be identified.

### **Focal elements**

- This is where the organisation identifies one key element as its cultural base. These are to be found in such areas as safety and learning cultures, whereby the particular point- safety or learning, for example- is placed at the centre of the organisation's commitment to standards. This is whereby everything is designed, built, structured and organised so that accidents and disasters cannot happen. Examples of learning cultures are to be found across all sectors and are instigated by companies as integral to continuous change and improvement, drives for flexibility and dynamism, the development of potential, quality and organisation behavior transformation. The key relationship is based on authority and the superior-subordinate

style of relationships. The key purpose is order, stability, permanence and efficiency.

### **Tribes (Tribal Culture)**

- This is where organisations create a tribal concept. This is usually accompanied by strong visions from the top. Its purpose is to unleash strong creative forces and generate high levels of enthusiasm, ethics, energy and fun. This is the stated position above all in some groups. It is also to be found in some people cultures. It may also be found as a feature of other creative and dynamic pockets of organisations. Regular brainstorming groups also produce this among themselves, especially where their activities are successful.

### **Pioneering culture**

- Pioneering cultures are the extension of the process of constant improvement and innovation into constantly questioning the ways in which things are done, continuously seeing new markets, projects and opportunities. It involves attention to processes and practices, technology, organizational form and structure, customers and staff. The objective is the equivalent of 'getting the response in first': anticipating and responding to changes in customer needs, improving the organisation as a whole, developing and enhancing productive and staff quality. This is a part of the thrust of business process re-engineering and total quality management.

### **Entrepreneurial culture**

- This is where the thrust of the organisation is aimed directly at creating and fostering new initiatives, generating new business ideas and ventures, and then often selling them on, either in the form of franchises or sales of assets to other organisations. These grew up where opportunities were identified and acted upon by individuals who then either withdrew from the company that they had founded or else took on experts and managers in order to sustain the fledgling business. Other more general examples are to be found in computer software, games and entertainment; and also in the supply of components to manufacturers and assemblers. Entrepreneurial cultures are based on the creativity, dynamism, vision, energy and enthusiasm of the entrepreneur, who may nevertheless lack the organizational and behavioral expertise necessary to sustain a permanent and continuing enterprise.

### **Intrapreneurial culture**

- Intrapreneurs- enterprising individuals who work within organisations rather than creating their own- are hired by organisations as change and development agents. They gravitate to those places that give the space and direction needed for their qualities of creativity, dynamism, vision and energy. They act as internal pioneers, constantly questioning the status quo, seeking

ways of improving products, services, processes, quality and satisfaction, and enhancing the effectiveness of the organisation as a whole. The most successful intrapreneurial cultures are those that combine an overall clarity of vision and purpose with the ability to enable high-quality individuals to operate with the freedom and space that they need.

**Some additional and not so conventional Types of Culture have also been covered to provide a perspective**

- There are different types of culture just like there are different types of personality. Researcher Jeffrey Sonnenfeld (Web Research) identified the following four types of cultures. Although these types lack empirical research have been mentioned as additional reference point.

#### **Academy Culture**

- Employees are highly skilled and tend to stay in the organization, while working their way up the ranks. The organization provides a stable environment in which employees can development and exercise their skills. Examples are universities, hospitals, large corporations, etc.

### **Baseball Team Culture**

- Employees are "free agents" who have highly prized skills. They are in high demand and can rather easily get jobs elsewhere. This type of culture exists in fast-paced, high-risk organizations, such as investment banking, advertising, etc.

### **Club Culture**

- The most important requirement for employees in this culture is to fit into the group. Usually employees start at the bottom and stay with the organization. The organization promotes from within and highly values seniority. Examples are the military, some law firms, etc.

### **Fortress Culture**

- Employees don't know if they'll be laid off or not. These organizations often undergo massive reorganization. There are many opportunities for those with timely, specialized skills. Examples are savings and loans, large car companies, etc.

### **The Working Culture:**

- This is a culture for that there is no significant incremental performance need or opportunity that would require it to become a

team. The members interact primarily to share information, best practices, or perspectives and to make decisions to help each individual perform within his or her area of responsibility. Such an example would be Pfizer Research and Development Team or the Narottam Lalbhai Research Center or ATIRA the center for textile research. The scientists bring in specialized experience and would rather work by themselves.

### **Pseudo-Performance Culture**

- This is a group for which there could be a significant, incremental performance need or opportunity, but it has not focused on collective performance and is not really trying to achieve it. It has no interest in shaping a common purpose or set of performance goals, even though it may call itself a culture. Pseudo Performance Cultures are the weakest of all groups in terms of performance impact. Human Capital Group of Andersen would fall into this category. HCS is a politically motivated organization with poor ethics and values that symbolize in its interactions with people, process or clients. Appearing to be performance driven has been more important to this group than truly building value and a lasting proposition.

### **Potential Performance Culture**

- This is a group for which there is no significant incremental performance need, and that really is trying to improve its

performance impact. Typically, however, it requires more clarity about purpose, goals or work-products and more discipline in hammering out a common working approach. It has not yet established collective accountability. Strategic Outsourcing and Shared Services Group of BNP Paribas or the HDFC Bank combined venture with I Flex, a Citibank - HDFC venture focuses on driving growth through high potential business opportunities.

### **Knowledge Cultures**

- This is a small number of people with complementary skills who are equally committed to a common purpose, goals and working approach for which they hold themselves mutually accountable. Business Consulting Practice at Andersen is significantly a knowledge driven culture where competencies are placed and combined together to deliver a solution to a client problem.

### **High Performance Cultures:**

- This is a group that meets all the conditions of real teams, and has members who are also deeply committed to each other's personal growth and success. That commitment usually transcends the team. The high performance team significantly outperforms all other like teams, and outperforms all reasonable expectations given its membership. Unilever is perhaps one of the finest examples of everlasting performance driven organization, where end and means



equally matter no matter the consequences. Unilever would rather take a short-term loss to build a long term sustainable business.

**Khandwalla (1992) Perspectives on Organizational Cultures. Substantive study by Khandwalla is desirable to study to compare cultures**

- The Mechanistic Organizational Culture exhibits the values of bureaucracy and feudalism. (Burns and Stalker 1961). Organization work is conceived as a system of narrow specialists, as among craft guilds. Authority is thought of as flowing from the top and information and instructions follow formally through prescribed channels.
- The Organic Culture (Burns and Stalker 1961) is a contrast to the mechanistic culture with formal hierarchies of authority, departmental boundaries, rules and regulations frowned upon quite severely. There is an emphasis on getting tasks accomplished, ensure transparent flow of information, build equity in processes, ease of communication strongly advocated.
- The Authoritarian Culture (Likert 1967) is power centric towards the superior with reinforcement mechanisms created to follow orders. The actions are directive with limited scope for dissent and command and control forms the basis of management.

- The Participative Culture believes in the human nature to cooperate to participate in decisions than to have them imposed upon them. Group problem solving, collaboration instead of conflict are some practices.
- The Management Systems (Churchman 1968, Clelland and King 1972, Daniels and Yeates 1988) Culture depends on the technical nature of work and consequent engineering emphasis to management. Actions involve analysis, research for more effective ways to handle issues, processes are streamlined and established, standardization is encouraged and overall effort to bring in method to management actions is key to this culture.
- The Entrepreneurial Culture (Peterson 1982) defines spirit to growth, individual initiative, risk taking roles, vision and the willingness to work through building capability and attitude towards the organization.
- The Paternalistic Culture (Dayal 1977) identifies with the promoter who often is also the owner of sorts given their early start up history. The organization follows with the family trail, their beliefs, values and practices and imbibes many as its own. The organization values loyalty and in return provides security and stability to its employees on the job.
- The Altruistic Culture (Greenleaf 1977) revolves around an institutional format with its basic beliefs in favor of good for the society and the larger environment. Selfless service, the desire to contribute to a larger well, make individual and institutional

contribution substantive in both intellectual and wealth generation focus drive the organization.

**Having provided a comparative analysis of the theories on various types of cultures the researcher provides the outline for Edgar Schein's 3 cultures model and its relevance to this study. In addition the Researcher introduces a 4<sup>th</sup> culture as an emerging characteristic of cultures.**

## **Section 2**

### **Culture Theory relied upon for the research**

This section focuses on the cultural theories that this researcher has relied for the purpose of the study.

Why do so many organizations fail to learn? According to Schein, (1992) organizational learning failures may be caused, not by resistance to change, human nature, or poor leadership, but by the lack of communication among three "cultures." The culture of operators evolves locally in an organization or unit and is based on human interaction. Operators may use their learning ability to thwart management's efforts to improve productivity. The engineering culture represents the design elements of the technology underlying the organization and how the technology is to be used. Engineers, whose reference group is outside the organization, share common educational, work, and job experiences. They are preoccupied with designing humans out of systems rather than into them. The executive culture revolves around maintaining an organization's financial health and deals with boards, investors, and capital markets. As executives, whose reference group is also outside the organization, are promoted, they become more impersonal, seeing people more as a cost than as a capital investment.

When organizations attempt to redesign or reinvent themselves, says Schein, the cultures collide and failure occurs. Executives and engineers are task focused and assume that people are the problem. Executives band together and depersonalize their employees. Executives and engineers can't agree on how to make organizations work better while keeping costs down. Enough mutual understanding must be created among the cultures to evolve solutions that all groups can commit to. First, says the author, we must recognize the concept of culture. Next we must acknowledge

that engineers or executives alone cannot solve problems, but must work together. Third, we must conduct cross-cultural dialogues. Each culture must learn how to learn and to analyze its own culture. To Schein, Organizational learning, development, and planned change cannot be understood without considering culture as the primary source of resistance to change. "This ability to perceive the limitations of one's own culture and to develop the culture adaptively is the essence and ultimate challenge of leadership. The bottom line for leaders is that if they do not become conscious of the cultures in which they are embedded, those cultures will manage them. Cultural understanding is desirable for all of us, but it is essential to leaders if they are to lead.

### **The Three cultures of management by Edgar Schein**

#### **The Operator Culture.**

The culture of operators has been defined as that which involves a strong human interaction, team working and passion to work to a vision. This culture is the most difficult to describe because it evolves locally in organizations and within operational units. Thus one can identify an operator culture in the manufacturing plant, in the chemical complex, in the appliance manufacturing plant, in the cockpit, and in the office, but it is not clear what elements make this culture broader than the local unit. Operators are found in organizations where human interaction receives higher importance than mechanical processes. To get at this issue we must consider that the operations in different industries reflect the broad technological trends in those industries. At some fundamental level, how one does a thing in a given industry reflects the core technologies that created that industry. And as those core technologies themselves evolve the nature of operations changes. For example, as Zuboff (1988) has persuasively argued, information technology has made manual labor obsolete in many industries and replaced it with conceptual tasks. In a textile plant the worker no longer walks around the looms and bleaching machines, observing, smelling,

touching and manipulating. Instead he or she sits in a central control room and infers the conditions in the plant from the various indexes that come up on the computer screen. This process of focus based on automation does not take away the interactive nature of the operator role.

The operator culture is based on human interaction and most line units learn those high levels of communication, trust and teamwork as essential to getting the work done efficiently. Operators also learn that no matter how clearly the rules are specified of what is supposed to be done under different operational conditions, the world is to some degree unpredictable and one must be prepared to use one's own innovative skills to deal with them. If the operations are complex as in a nuclear plant, operators learn that they are highly interdependent and that they must work together as a team especially when unanticipated events have to be dealt with. Rules and hierarchy often get in the way under unpredicted conditions. Operators become highly sensitive to the degree to which the production process is a system of interdependent functions all of which must work together in order to be efficient and effective. These points apply to all kinds of "production processes" whether we are talking about a manufacturing, purchasing, sales function, a clerical group, a cockpit, or a service unit.

The tragedy of most organizations is that the operators know that to get the job done effectively they must adhere to the assumptions stated above, but neither the incentive system nor the day to day management system may support those assumptions. Operators thus learn to subvert what they know to be true and "work to rule," or use their learning ability to thwart management's efforts to improve productivity. In order to understand why this happens we must examine how two other major cultures operate in organizations.

## **The Engineering Culture**

In all organizations there is a group that represents the basic design elements of the technology underlying the work of the organization and has the knowledge of how that technology is to be utilized. This occupational community cuts across nations and industries and can best be labeled the “engineering culture” Kunda, (1992). He visualizes how culture works as an alternative organizing principle to rational legal bureaucratic authority. The high tech man resembles poet modern man and the compliant Soviet man, Hollander, (1966), a rationally shaped citizen whose loose assemblage of superficial values is company oriented and whose behavior is easily changed. Kunda shows how carefully a moral map is imprinted with the just the necessary shading of ambiguity around trivial decisions to provide a sense of choice and freedom. Because Of High Technology no lay off rule, burned out employee’s stay on, aware that they have failed according to known and well accepted standards. Striving to balance self-esteem and loyalty when that are failing, failures are seen by colleagues as tragic heroes rather than miscreants. In a company driven by the engineering culture, an employee mentioned that in the parking lot of this organization are signs that say “Maximum Speed Limit – 5.8 Miles Per Hour.” Though this culture is most visible in traditional engineering functions one can see it in operation equally in the designers and implementers of all kinds of technologies – information technology, market research, financial systems, and so on. The shared assumption of this community is based on common education, work experience, and the requirements of their job and is shown in Table 2. We project that in natural law-based organization a kind of creative inspiration could be found in any job. Engineers, for example, could have fully elaborated product and process ideas compose themselves in their awareness; and because those ideas flow from the level of natural law that is always economical and always holistic, those product and process ideas will be most efficient, most free from problems, most aesthetically pleasing, and most healthy for people and the natural environment.

Engineers and technocrats of all persuasions are attracted to engineering in the first place because it is abstract and impersonal. Their education reinforces the view that problems have abstract solutions and those solutions can, in principle, be implemented in the real world with products and systems that are free of human foibles and errors. Engineers in the broadest sense, are designers of products and systems that have utility, elegance, permanence, efficiency, safety, and maybe, as in the case of architecture, even aesthetic appeal, but they are basically designed to require standard responses from their human operators, or, ideally, to have no human operators at all.

- Engineers are proactively optimistic that they can and should master nature
- Engineers are stimulated by puzzles and problems and are pragmatic perfectionists who prefer people free solutions
- The ideal world is one of elegant machines and processes working in perfect precision and harmony without human intervention
- Engineers prefer linear, simple cause and effect, quantitative thinking.

In the design of complex systems such as jet aircraft or nuclear plants, the engineer prefers a technical routine to insure safety rather than relying on a human team to manage the contingencies that might arise. Engineers recognize the human factor and design for it, but their preference is to make things as automatic as possible. Safety is built into the designs themselves.



An Egyptian Airlines pilot when asked whether he preferred the Russian or U.S. planes, immediately that he preferred the U.S. planes and gave as his reason that the Russian planes have only one or two back-up systems, while the U.S. planes have three back-up systems. Two engineers were overheard as saying to each other during a landing at the Seattle airport that the cockpit crew was totally unnecessary. The plane could easily be flown and landed by computer.

Both the operators and the engineers often find themselves out of alignment with a third critical culture, the culture of executives.

### **The Executive Culture**

The third culture of management to be explored is the “executive culture,” the set of shared tacit assumptions that CEO’s and their immediate subordinates share worldwide. This executive worldview is built around the necessity to maintain the financial health of the organization and is fed by the pre-occupations of boards, of investors, and of the capital markets. Whatever other pre-occupations executives may have, they cannot get away from having to worry about and manage the financial issues of the survival and growth of their organization (Donaldson & Lorsch, 1983). The essence of this executive culture is described in Table 3.

What Schein has identified as the executive culture applied particularly to CEO’s who have risen through the ranks and have been promoted to their jobs. Founders of organizations or family members who have been appointed to these levels exhibit different kinds of assumptions and often can maintain a broader focus (Schein, 1983). It is especially the promoted CEO who adopts the exclusively financial point of view because of the nature of the executive career. As managers rise higher and higher in the hierarchy, as their level of responsibility and accountability grows, they not only have to become more pre-occupied with financial matters, but

they also discover that it becomes harder and harder to observe and influence the basic work of the organization. Other managers who think like they do, thus making it not only possible but likely that their thought patterns and world view will increasingly diverge from the world view of the operators. Second, as they rise, the units they manage grow larger and larger until it becomes impossible to know everyone personally who works for them. At some point they recognize that they cannot manage all the people directly and, therefore, have to develop systems, routines, and rules to manage “the organization.” People increasingly come to be viewed as “human resources” and are treated as a cost rather than a capital investment.

The executive culture thus has in common with the engineering culture a predilection to see people as impersonal resources that generate problems rather than solutions. Or, another way to put this point is to note that both the executive culture and the engineering culture view people and relationships as means to the end of efficiency and productivity, not as ends in themselves. If one must have human operators, so be it, but let’s minimize their possible impact on the operations and their cost to the enterprise.

## **TABLE 1**

### **I. The Operator Culture**

- The action of any organization is ultimately the action of people.
- The success of the enterprise therefore depends on people’s knowledge, skill, learning ability and commitment.
- The knowledge and skill required are “local” and are based on the Organization’s core technology

- No matter how carefully engineered the production process is or how carefully Rules and routines are specified, operators will have to deal with Unpredictable contingencies
- Therefore operators have to have the capacity to learn and to deal with Surprises
- Most operations involve inter-dependencies between separate elements of the Process hence operators must be able to work as a collaborative team in which Communication, openness, mutual trust and commitment are highly valued.
- Operators work in teams as deemed necessary as the nature of their work involves mutual co existence.

## **II. The Engineering Culture (Global Community)**

- Pro-actively optimistic, nature can and should be mastered: “that which is Possible should be done”
- Based on science and available technology
- Stimulated by puzzles and problems to be overcome
- Pragmatic, oriented towards useful products and outcomes
- Perfectionist, oriented toward elegance, simplicity, precision: “keep it Neat and simple”

- Preference for “people free” solutions, for working with “things”
- The ideal world is one of elegant machines and processes working in perfect Precision and harmony without human intervention
- Safety oriented, over design for safety: “U.S. Built planes have three Back-up systems”
- Preference for linear, simple cause and effect, quantitative thinking
- absolutes view of reality
- Attractive to people whose careers are oriented in “technical/functional Competence.” and “pure challenge”

### **III. The Executive Culture (Global Community)**

#### **(a) Financial Focus**

- Absolute focus on finances – without financial survival and growth there Are No returns to shareholders or to society.
- Executives focus on financial survival and growth to ensure returns to shareholders and to society.
- Financial survival is equivalent to perpetual war with one’s Competitors

- The economic environment is perpetually competitive and potentially hostile: “in a war one cannot trust anyone”
- Therefore, the CEO must be “the lone hero,” isolated and alone, yet appearing To be omniscient, in total control, and feeling indispensable: “I’m o K.
- Organization and management are intrinsically hierarchical: the hierarchy Is the measure of status and success and the primary means of maintaining Control
- We have to be team, but accountability has to be individual; “you are all Competing for my job”
- People have to be empowered, one must delegate, and one must trust people, Yet the more one does, the more one loses control. Because control is Paramount, empowerment must be tempered and limited.
- Therefore the willingness to experiment and take risks extends only to those Things that permit one to stay in control.
- Because the organization is very large it becomes depersonalized and Abstract, and, therefore, has to be run by rules, routines (systems), and Rituals (“machine bureaucracy”)
- Personal relationships are a means to the end of motivation and control, they Are not ends in themselves (the inherent value of relationships and community Becomes lost as one rises in the hierarchy)

- The attraction of the job is the challenge, the high level of responsibility, And the sense of accomplishment (not the relationships)

**(b) Self-image: the embattled lone hero**

- The economic environment is perpetually competitive and potentially hostile: “in a war one cannot trust anyone”
- Therefore, the CEO must be “the lone hero,” isolated and alone, yet appearing To be omniscient, in total control, and feeling indispensable: “I’m o
- O.K., After All I’m here: they are not O.K., They have not made it to the top”
- One cannot get reliable data from below because subordinates will tell one What they think one wants to hear: therefore as ceo one must trust one’s own Judgement more and more (i.e. Lack of accurate feedback increases own sense of Rightness and omniscience)
- One has to shout to be heard at all, and then the message has to be simple And of high amplitude
- Executives cannot get reliable data from subordinates so they must trust their own judgement.

### **(C) Hierarchical and individualistic focus**

- Organization and management are intrinsically hierarchical: the hierarchy is the measure of status and success and the primary means of maintaining control
- We have to be team, but accountability has to be individual; “You are all competing for my job”
- People have to be empowered, one must delegate, and one must trust people, Yet the more one does, the more one loses control. Because control is Paramount, empowerment must be tempered and limited.
- Therefore the willingness to experiment and take risks extends only to those things that permit one to stay in control of their role, tasks and goals.

### **(d) Task and control focus**

- Because the organization is very large it becomes depersonalized and Abstract, and, therefore, has to be run by rules, routines (systems), and Rituals (“machine bureaucracy”)
- Personal relationships are a means to the end of motivation and control, they are not ends in themselves (the inherent value of relationships and community is lost as one rises in the hierarchy)

- The attraction of the job is the challenge, the high level of responsibility, And the sense of accomplishment (not the relationships)
- The ideal world is one in which the organization performs like a well oiled Machine, needing only occasional maintenance and repair
- Though people are necessary, they are a necessary evil not an intrinsic Value; people are a resource like other resources to be acquired and managed, Not ends in themselves
- The well oiled machine organization does not need whole people, only the activities that are contracted for
- People need to be configured and structured to obtain their best of performance. It is desirable that they are led, directed and managed.

#### **IV. The Evolving Culture, In respect of organizations and leadership**

**The Researcher has proposed introduction of an “Evolving Culture” defined by addressing 5 questions in respect of defined organizations and 5 questions in respect of its leadership.**

A set of definitions and explanatory aspects of the Evolving Culture has also been attempted. The researcher proposes to utilize this definition as the base of the scenario based case analysis as well as to help combine types of cultures that prevail in an organization to that of its leadership, their style and its impact on the organization and management model.



## Evolving Cultural Analysis

Cultural analysis is broken down into **five component parts and four influences**:

### Evolving Culture Mapping influences

- **Driven** by 4 influences that enables evolution of culture to be gradual, systematic, flexible, adaptive and appropriate.
- **Identity** ensures applicability of cultural context and evolution to be appropriate and relevant to an organizational situation.
- **Responsive** focuses on agility and speed of absorption and review capability to understand, appreciate and apply in situations.
- **Internalize** measures the degree to which evolution of the culture has been accepted and assimilated by the group and its membership. It also provides a concurrent understanding on how do other inter linking factors read with one another through the process of evolution.
- **Driven** by leadership and processes that are consciously influenced and managed by players who are actively pursuing creation of a desired culture and adept on focusing on evolution.

## Evolving Cultural Mapping Analysis

Evolving Cultural mapping analysis is broken down into five component parts :

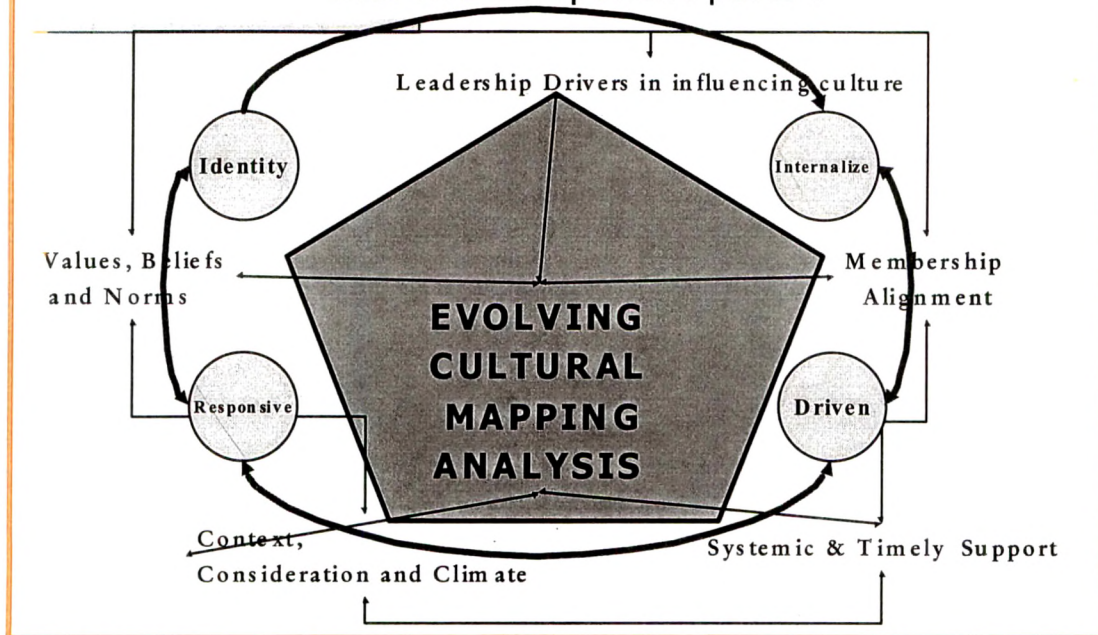


Figure 2: The Evolving Cultural Mapping Analysis

Organizational Questions in respect of Evolving Culture has been addressed here. The researcher together with an organizational definition in regard to the issue has addressed four key questions.

The four questions are:

1. What is the organization history, tradition, management style, structure, and communication and performance ethic?

## **2. What Drives the Organization?**

## **3. What is the Organizational Focus?**

## **4. How does the Organization Act?**

### **1. What are the organization history, tradition, management style, structure, and communication and performance ethic?**

The organization values history and tradition. The organization is built upon stories that lasts over time and that is believed and revered by people as important learning of the past. In the organization time is not an important consideration, as it is perceived to be relative to the tasks and is managed appropriately as long as basic human processes are followed. . The organization emphasizes an appropriate management style that foster learning. The organization focuses on learning environments that involves brings together intellect, knowledge, systemic processes, personal mastery and role models. The climate is conducive and non threatening to share successes and failures and is not a performance consideration. The organization believes in creating effective structures and hierarchies that provides clarity to roles, responsibilities, tasks and actions. The organization has effective communication channels, with and without boundaries, people enjoy communicating in relation to business and tasks to be accomplished. A leadership and management that pays attention to high performance lead the organization. The organization believes in swift and effective communication, work long hours to conclude tasks, people live at work, identify with winning and use all resources at one's disposal to accomplish tasks. The organization emphasizes an appropriate management style that foster learning. The organization emphasizes learning environments that involves brings together intellect, knowledge, systemic processes, personal mastery and role models.

## **2. What Drives the Organization?**

The organization is driven by orientation to people, their actions, beliefs in the value of human good and concerns and by organizational energy to learn, self develop, perpetuate individualization as they grow to compete. It is managed by structural effectiveness, procedural clarity, defined end states and eventual success of people and the systems that lasts over time. And supported by the need for internal and external energy to perform and focus on results. There is a conscious endeavor to support a cause that extends beyond commercial perspective in many situations. And the will to promote and perpetuate intellect as it determines individual and organizational means and tasks and denies organizational members the time, space and opportunity to learn as things evolve. Preplanning is an important business consideration and decision making a critical management tool. Taken up by the successes, stories, rituals and processes that have proved in time that it works and should be followed. Driven by business bottom line, financial focus and the need to achieve tasks and goals established to be accomplished

## **3. What is the Organizational Focus?**

There is a substantive focus on making people productive through internal drivers without clarity on final goals and tasks. They identify with organizational vision and values. They have a work and off work identity that they cherish including people productivity through learning drivers on what can be done should be done. Enterprise success is viewed on a holistic basis and dependent on people expertise. Apart from an organizational vision, values, philosophy and performance that provides the linkages. Focus through driving synergies of the people and process systems that integrate organizational goals to an end objective with a desire on delivery through advancement of learning, knowledge, skills but lacks need for attitudes and appropriate behavior to make things

happen. Emphasis on building internal architectures, organic growth opportunities, systems and processes that drives individual and team performance, Resents acquisitions, mergers that takes it away from its current state of equilibrium. Focus on driving results through structure, style, roles, and benchmarks as it impacts organizational effectiveness making performance the only end objective.

#### **4. How does the Organization Act?**

Action through policies, rewards, interactive processes, job design making people an important consideration in organizational issue and through making knowledge an important performance parameter. There is action through making systems the critical consideration for organizational effectiveness with an orientation measured by appropriates planning, measured steps, building consensus and reasonable task orientation. Action through making people subservient to systems and external stimuli. Popular prevalence of merciless meritocracy and rewards to processes and systems that goes beyond human dependence. Action orientation is expected to be more an outcome given smooth working methods and competitive pressures built within the organizational framework. Substantive action to demonstrate what finally matters in the organization, the stakes involved and reward and punishment that follows post action

#### **5. What is the Long Term Organizational Orientation?**

Long term organization growth, meaning profits, shareholder value meant people growth. Long-term competitive advantage through focus on performance empowerment. Orientation to building an enterprise that works through economics cycles without a major emphasis on revitalization or renewal. Competitive advantage seen as dominance and measures that sustain organizational competitiveness. Goals to build sustainable business models that can seamlessly move from one

situation to another without a strong immediate task and performance pressure. Sustainability only based on enhanced intellectual capital, innovation and newness of things done within and without the organization. Need to make teams work together to achieve group goals that achieves today's performance and tomorrow's systems. Destination treated as an end in itself and pursuit of the goals set as non-negotiable and that it should be accepted and achieved by all internal stakeholders.

### **And the critical Role of the Leader in Transmitting Culture**

One of the critical factors in understanding a corporate culture is the degree to which it is leader-centric. Ask yourself, how central is our leader to the style of this organization? If you are the leader yourself, the culture of your company is likely to reflect your personality, including your neurosis. So if the CEO avoids conflict and tends to sweep it under the carpet, don't be surprised if you see avoidance of conflict played out in the organization. The behavior that is modeled by the leader and the management team profoundly shapes the culture and practices of the organization. What management emphasizes rewards and punishes can tell you what is really important. The behavior of members of the senior team, their reactions in a crises and what they talk routinely talk about, all sets the tone of the culture. If the culture is already firmly established when the CEO assumed leadership and he/she simply inherited a strong set of traditions, then he/she may play the role of the guardian of the old culture. On the other hand, CEOs such as Lou Gerstner at IBM, Lee Iacocca at Chrysler, Sandy Weil at Citicorp were brought in to be change agents charged with dramatically transforming the organizational culture.

## **Including the Continuing issues of CEO and the LEADER in influencing and changing Culture**

Again CEO/Leader is expected to manage organizations through a process of change. And changing an organization is messy, complicated business. A study by Kotter and Heskett (1992) indicated that culture change becomes tougher as organizations become more established and successful. The very bases for a company's earlier success can be hindrances to needed changes under new and different scenarios from those that existed previously.

Prevailing models provide uncertain guideposts. For example, it is standard fare within the leadership literature (Bennis, 1994) to depict the need for a "vision" of a desired future state of the enterprise. What if elements of a vision clash with each other? What if a leader, for example, decides to embrace a total quality management culture built upon trust among all parties and, at the same time, embarks upon a series of layoffs which are likely to engender distrust among those same parties? The conventional wisdom in response is to acknowledge that there will be sadness and losses and a murky period which goes under the heading of "the neutral zone"; but, in the end, there will be "new beginnings" (Bridges, 1981). How long does the neutral zone last? Existing research provides no solid answers. How long will leaders with a vision wait for the culture to change in positive ways? Research supports the idea that culture change is a multi-year effort (Schein, 1992).

If we broaden our conceptualization of culture change to include both intended consequences (planned change) and unintended consequences (unplanned change), then it is at least possible to be confident that downsizing is a catalyst for culture change. Organizational theorists from Lewin (1951) forward, including Chris Argyris (1992) have insisted upon the need for a destabilizing element in any change process. The existing status quo is conceptualized as a dynamic in which

forces resisting change and forces pushing for change have found a balance. In order to shift the balance (in the favor of change), the situation needs to be "unfrozen". In other words, people have to be rocked out of their comfortable existence, so they will be alerted to the need for change.

**Effectively this has meant substantive Leadership impact on organizational cultures**

Studying leadership impact on cultures is relevant to the research given the inter relatedness that is being proposed. Shermon (2000) qualifies as a destabilizer of status quo ante even under circumstances where departures are voluntary. Hickok (1995), for example, documented symptoms of survivor illness at an Air force installation that had, up to the point of the research, experienced only voluntary departures. The literature is replete with examples of burnout, depression, anger, and betrayal as common responses by survivors of layoffs, restructuring and change (e.g., Noer,(1993); Brockner, (1992) Not all responses are negative: there are reports of people getting "charged up", finding new excitement in their work, being challenged by the prospect of "doing more with less" or saving the organization (e g, Noer, 1993). Hickok (1995) found that "implementers" of layoffs (i e, those "pulling the strings") had more positive reactions than did "implementees" (i.e., those who were having the layoffs "done to them")

In any event, it should be acknowledged that cultural change has altered the rule of the employment "game". The way these changes have tended to be theoretically euphemized is by indicating that the "psychological contract" between employers and employees has been violated Rousseau, (1995). No longer can the leader offer job security. The "new" psychological contract being marketed is conditional employment, with the availability of training and development opportunities to help keep employees "employable", even if not at this particular company (e.g., Tichy and Sherman, 1994; Waterman, Waterman, and Collard, 1994).



From a broader cultural perspective, cultural change can be seen as the embodiment of the "creative destruction" inherent in capitalism. As Schumpeter (1950) wrote about capitalism, restructuring and consequent cultural change might not be pretty to watch and people will get hurt for sure, but this is the way the market takes care of itself. There is no entitlement to a job any more than there is entitlement for a corporation to exist. People, as well as organizations, need to gear up to compete in the marketplace. Bridges (1994) and others warn anyone within hearing distance that only the foolish will let their fates be decided by those they work for; the wise ones will think and act like entrepreneurs, or the leaders even if they fall under the label "employees".

The symbolic aspects of culture change driven by a leader associated with organizations should not be overlooked. The very act of change creates an appearance of leadership that is taking charge. In the instance of the United States government, for example, Clinton-Gore make the claim that by eliminating 272,900 federal jobs they have reduced the cost of government. The symbolism associated with the change may weigh more heavily in people's minds than the costs, which may include contracting out at a much higher price for services previously provided in-house.

The political aspects of culture change associated with downsizing are also quite dramatic. Change represents a power shift in the direction of top management and shareholders. One way of conceptualizing the change is via expectancy theory (Vroom, 1964). The unsaid message is that management is not afraid to decide who "has a future" with this organization and who does not. The message is "if you want to continue to work here, you will have to work harder, be more responsive, be more of a team player, etc.

There are "Theory X" and/or "Theory Y" dynamics (McGregor, 1960) at work with change as well, depending upon the circumstances. The underlying theme of Theory X thinking, emulated

by the leader, is that workers can not be trusted to put forth effort on their own. They need to be externally motivated by the threat of punishment in order to put out their best efforts. Of all the change driven practices, the one most closely associated with Theory X is the practice of giving people no termination notice. In spite of what would seem the obvious inhumanity of walking people who have worked for an organization for twenty or more years straight to the door, this remains a common corporate change management practice. The assumption that would seem to underlie the practice is that people will use notice time to undermine the organization or at least to be unproductive. That is a leader's call.

From a Theory Y perspective, for the leader, cultural change and behavior modification may be seen as a way to free up workers to do the good work they care to do. The analysis that precedes change is designed with the intent of reducing unnecessary or low value work, minimizing bureaucratic controls, and eliminating unneeded communications layers. Cultural change intent, from a Theory Y perspective, is to enable workers to be challenged by interesting work and to have the opportunity to produce extraordinary results that are aligned with the organization's mission and goals.

In *Leadership in high-performance Organizational Cultures* (published by Quorum Books - 2000), Stanley D. Truskie suggests, "there is a direct link between **leadership, organizational culture, and performance.**" According to his research and analysis, the most effective leader has an impact on "forming the culture of an organization, which further can have an enhancing effect of improving the level, ensuring the consistency, and sustaining the organization's continuing performance improvement." Truskie believes that many leaders are preoccupied with identifying and then manifesting an "ideal" style of leadership when, in fact, no such style exists. That is to say, even the most effective leaders have significant human imperfections, however, they are

aware of these imperfections and make every effort to ensure that these imperfections do not have a negative impact on their respective organizations.

Exceptional leaders have an organizational leadership strategy: “a guiding plan that creates an internal environment; a culture that is healthy, balanced, and adaptive.” The ultimate organizational objective is to achieve superior, long-term performance. Truskie’s own objective is to formulate a model that enables any organization to achieve that objective by developing the effective leaders it needs. Truskie introduces what he has named the L4 Strategy. This concept provides a framework and some principles to help clarify and guide one’s thinking in addressing important and complex leadership issues and challenges. With meticulous care, reiterating key points along the way, Truskie explains how the L4 Strategy gives clarity and direction to establishing organization direction, and, to developing organizational effectiveness. There are four “cultural patterns” which, according to Truskie, the effective leader must set or re-set in proper balance within her or his organization: The Cooperation Culture, The Inspiration Culture, The Achievement Culture, and The Consistent Culture.

Here is a key point: Because the needs of a given organization change, sometimes dramatically and often unexpectedly, the effective leader must be prepared to adjust the balance of the four “cultural patterns.” When there are only moderate out-of-balance conditions, “rebalance initiatives” are needed. But when the conditions are severe, time is of the essence; therefore, counterbalance initiatives are needed. The L4 leader’s presence and style are critical to the success of either sets of initiatives. Truskie correctly notes that leadership must not be limited to that provided only by a CEO. Apparently agreeing with Noel Tichy’s analysis in, Truskie stresses the importance of developing leadership throughout the organization. Ideally, an organization will thus have a combination of leaders who, individually and in collaboration, implement both a directional leadership strategy and an organizational leadership strategy.

On numerous occasions, Truskie cautions that there is no one “ideal” style, nor an infallible “model”, nor any single combination of leadership traits, characteristics and behaviors that are most appropriate to all organizations in all phases of their development.

*Leadership in Organizational Cultures* is Truskie’s explanation of the potential, beneficial implications of the L4 Strategy with specific relevance to creating and then sustaining a high-performance organizational culture. Leaders as well as those whom they lead must constantly monitor the balance of four aforementioned cultural patterns. Imbalances are inevitable. Although Truskie does not discuss it, he would probably agree that an early-warning system of some kind is highly desirable. The model he provides suggests various ways by which to recognize and then respond effectively to symptoms of such imbalances.

### **Section 3**

#### **Leadership**

##### **Leadership Implications on Organizational Culture**

This section focuses on building upon the leadership connection to culture as well as the organization. Thereafter the Researcher has introduced a set of Leadership Styles in the context of the Evolving Culture and also provided appropriate definitions to enable construction of the Scenario based case analysis.

Leadership has probably been written about, formally researched, and informally discussed more than any other single topic. Many writers and managerial practitioners have propounded a series of definitions and sometimes myths Leaders are born, leaders are heroic, a leader's performance is measured by results, leaders maintain stability in an organization etc. We have over time reached some set of conclusions although not exhaustive.

In the early 20<sup>th</sup> century one prevailing orthodoxy held that organizations cannot operate democratically because, especially during crisis, organizations need firm leaders and obedient subordinates (Bell, 1950; Michels, 1959). Leadership was seen a stable characteristic of individual people: either one had leadership traits or one did not. During the 1920's and 1930's this orthodoxy was challenged in many ways: Weber (1947) portrayed leadership as a kind of a activity that bureaucracies depersonalize and that followers might judge illegitimate. Hawthorne studies (Mayo 1946, Roethlisberger; and Dickson 1939) claimed to show that productivity rises when supervisors act friendly towards their subordinates. Barnard (1938) said that authority originates in the subordinates who obey orders rather than in the superiors who issue orders. Of

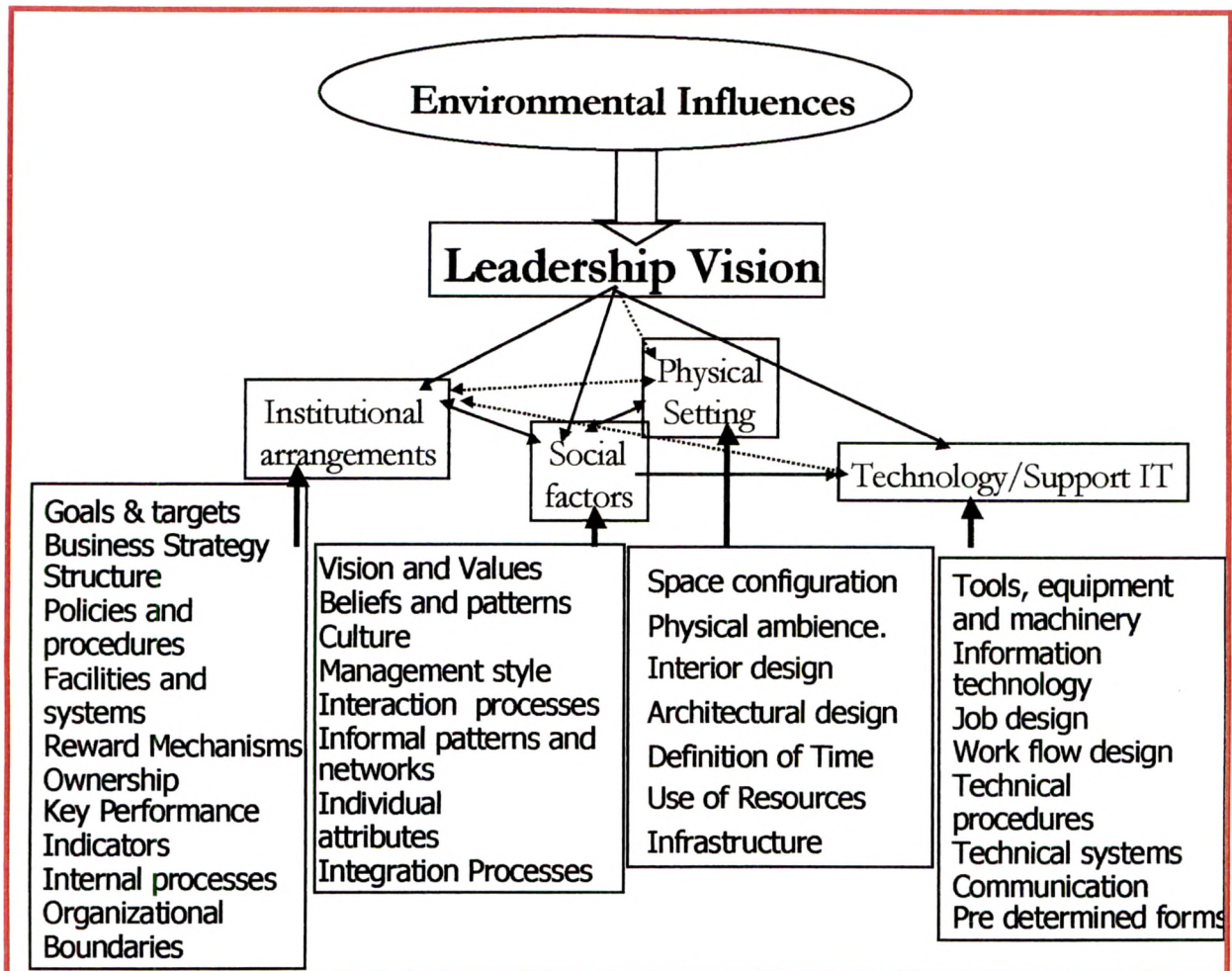
these challenges only the one from Hawthorne studies became orthodoxy, as one short-lived school of thought called human relations. By the 1950's numerous syntheses were taking place. Coch and French (1948) and Lewin (1953) were espousing democratic leadership. Bales (1953), Cartwright and Zander (1953) and Gibb (1954) were viewing leadership as an activity performed collectively by groups rather than individually by group members. Bales (1953, 1958) was distinguishing leaders social roles from their task roles, and Cattell and Stice (1954) and Stogdill (1948) were considering the different personality attributes of distinct types of leaders. By the late 1950's the Ohio State Studies were identifying two dimensions of leadership behavior: (1). Consideration, by which a supervisor displays friendship, mutual respect. Trust and warmth and (2) initiating structure, by which a supervisor organizes subordinates activities (Fleishman et al, 1955. Stogdill and Coons, 1957). In effect, what were initially seen as conflicting views being reinterpreted as independent dimensions of a complex phenomenon?

Robert J. Alio (Alio, 1999) has identified three central tasks based on his analysis of high performing organizations:

**Reinforcing Values:** To identify and communicate the values and establish the purpose of the enterprise.

**Developing Vision:** To envision the end state and help the organization define strategy.

**Building Community:** The ability to forge a community of individuals who will work together to realize their individual and collective potential.



**Figure 3: Connecting Leadership to Organizational Factors relevant to Culture**

### **A Definition of *Leadership***

*Leadership is both a process and a property. As a process, leadership involves the use of non-coercive influence. As a property, leadership is the set of characteristics attributed to someone who is perceived to use influence successfully. Leadership is the process of influencing a group of followers, adding value, and helping the community adapt to change. Leaders drive the*

*organizational members towards achievement of the organizational goals by influencing people who are responsible for the tasks.*

From an organizational viewpoint, leadership is vital because it has such a powerful influence on individual and group behavior. Moreover, because the goal toward which the group directs its efforts is the desired goal of the leader, it may not mesh with organizational goals. Leadership involves neither force nor coercion. A manager that relies on force to direct subordinates' behaviors is not exercising leadership.

### **Theories of Leadership**

There are several distinct theoretical bases for leadership. At first, leaders were felt to be born, not made. This so-called "great man" theory of leadership implied that some individuals are born with certain traits that allow them to emerge out of any situation or period of history to become leaders. This evolved into what is now known as the trait theory of leadership. The trait approach is concerned mainly with identifying the personality traits of the leader. Dissatisfied with this approach, and stimulated by research such as the Ohio State studies, researchers switched their emphasis from the individual leader to the group being led. In the group approach, leadership is viewed more in terms of the leader's behavior and how such behavior affects and is affected by the group of followers. The situational approach was initially called *Zeitgeist* (a German word meaning "spirit of the times"); the leader is viewed as a product of the times and the situation. The person with the particular qualities or traits that a situation requires will emerge as the leader. Such a view has much historical support as a theoretical basis for leadership and serves as the basis for situational (Hershey and Blanchard) – and now, contingency- theories of leadership.



**Essentially.**

- **Management and leadership are distinct elements. Management involves formal position power, whereas leadership relies on social influence processes.**
- **Some leadership approaches focus on traits, whereas other focus on behaviors.**
- **Some leadership approaches take a universal perspective; other uses a contingency perspective.**
- **The Leadership Grid evaluates leader behavior along two dimensions, concern for production and concern for people. It suggests that effective leadership styles include high levels of both behaviors.**
- **The Contingency theory of Leadership suggests that a leader's effectiveness depend on the situation.**

#### **The Iowa Leadership Studies (Pettinger, 1986)**

A series of pioneering leadership studies conducted in the late 1930s by Ronald Lippitt and Ralph K. White (Luthans, 1989) under the general direction of Kurt Lewin at the University of Iowa have had a lasting impact. Lewin is recognized as the father of group dynamics and as an

important cognitive theorist. In the initial studies hobby clubs for ten-year-old boys were formed. Each club was submitted to three different styles of leadership- authoritarian, democratic and laissez faire. The authoritarian leader was very directive and allowed no participation. This leader tended to give individual attention when praising and criticizing but tried to be friendly or impersonal rather than openly hostile. The democratic leader encouraged group discussion and decision making. He tried to be "objective" in his praise or criticism and to be one of the group in spirit. The laissez faire leader gave complete freedom to the group; he essentially provided no leadership.

Under experimental conditions, the three leadership styles were manipulated to show their effects on variables such as satisfaction and frustration/aggression. Some of the results were clear-cut and others were not. One definite finding was the boys' overwhelming preference for the democratic leader. In individual interviews, nineteen of the twenty boys stated they liked the democratic leader better than the authoritarian leader. The boys also chose the laissez faire leader over the autocratic one in seven out of ten cases. For most of the boys, even confusion and disorder were preferable to strictness and rigidity.

Unfortunately, the effects that styles of leadership had on productivity were not directly examined. The experiments were designed primarily to examine patterns of aggressive behavior. However, an important by-product was the insight that was gained into the productive behavior of a group. For example, the researchers found that the boys subjected to the autocratic leader reacted in one of two ways: either aggressively or apathetically. Both the aggressive and apathetic behaviors were deemed to be reactions to the frustration caused by the autocratic leader. The researchers also pointed out that the apathetic groups exhibited outbursts of aggression when the autocratic leader left the room or when a transition was made to a freer leadership atmosphere. The laissez faire leadership climate actually produced the greatest number of

aggressive acts from the group. The democratically led group fell between the one extremely aggressive group and the four apathetic groups under the autocratic leaders.

Sweeping generalizations on the basis of the Lippitt and White studies are dangerous. Preadolescent boys making masks and carving soap are a long way from adults working in a complex, formal organization. Furthermore, from the viewpoint of modern behavioral science research methodology, many of the variables were not controlled. Nevertheless, these leadership studies have extremely important historical significance. They were the pioneering attempts to determine, experimentally, what effect styles of leadership have on a group. Like the Hawthorne studies, the Iowa studies are too often automatically discounted or at least de-emphasized because they were experimentally crude. The values of the studies were that they were the first to analyze leadership from the standpoint of scientific methodology, and, more important, they showed that different styles of leadership can produce different, complex reactions from the same or similar groups.

### **The Ohio State Leadership Studies (Luthans, 1989)**

In 1945, the Bureau of Business research at Ohio State University initiated a series of studies on leadership. An interdisciplinary team of researchers from Psychology, sociology, and economics developed and used the Leader Behavior Description Questionnaire (LBDQ) to analyze leadership in numerous types of groups and situations. Studies were made of Air Force commanders and members of bomber crews; officers, noncommissioned personnel, and civilian administrators in the Navy Department; manufacturing supervisors; executives of regional cooperatives; college administrators; teachers, principals, and school superintendents; and leaders of various student and civilian groups.

The Ohio State studies started with the premise that no satisfactory definition of leadership existed. They also recognized that previous work had too often assumed that leadership was synonymous with good leadership. The Ohio State group was determined to study leadership; regardless of definition or of whether it was effective or ineffective.

In the first step, the LBDQ was administered in a wide variety of situations. In order to examine how the leader was described, the answers to the questionnaire were then subjected to factor analysis. The outcome was amazingly consistent. The same two dimensions of leadership continually emerged from the questionnaire data. They were consideration and initiating structure. These two factors were found in a wide variety of studies encompassing many kinds of leadership positions and contexts. The researchers carefully emphasize that the studies show only how leaders carry out their leadership position. Initiating structure and consideration are very similar to the time-honored military commander's functions of the mission and concern with the welfare of the troops. In simple terms, the Ohio State factors are task or goal orientation (initiating structure) and recognition of individual needs and relationships (consideration). The two dimensions are separate and distinct from each other.

The Ohio State studies certainly have value for the study of leadership. They were the first to point out and emphasize the importance of both task and human dimensions in assessing leadership. This two-dimensional approach lessened the gap between the strict task orientation of the scientific management movement and the human relations emphasis, which had been popular up to that time. However, on the other side of the coin, the rush for empirical data on leadership led to a great dependence on questionnaires in the Ohio State studies to generate data about leadership behaviors, and this may not have been justified. For example, Schriesheim and Kerr concluded after a review of the existing literature "the Ohio State scales cannot be considered sufficiently valid to warrant their continued uncritical usage in leadership research". In addition

to the validity question is the almost unchallenged belief that these indirect questionnaire methods are in fact measuring leadership behaviors instead of simply measuring the questionnaire respondent's behavior and/or perceptions of, and attitudes toward, leadership. A multiple measure approach, especially observation techniques, seems needed for the future. The discussion later in the chapter will further explain this need for a behavioral emphasis in leadership studies in its accompanying observation measurement techniques.

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### **The Early Michigan Leadership Studies**

At about the same time that the Ohio State studies were being conducted, a group of researchers from the Survey Research Center at the University of Michigan began their studies of leadership. In the original study at the Prudential Insurance Company, twelve high-low productivity pairs were selected for examination. Each pair represented a high producing section and a low producing section, with other variables, such as type of work, conditions, and methods, being the same in each pair. Non directive interviews were conducted within the 24 section supervisors and 419 clerical workers. Results showed that supervisors of high producing sections were significantly more likely to be general rather than close in their supervisory styles and be

employee-centered (have a genuine concern for their people). The low producing section supervisors had essentially opposite characteristics and techniques. They were found to be close, production-centered supervisors. Another important, but sometimes overlooked, finding was that employee satisfaction was not directly related to productivity.

The general, employee-centered supervisor, described above, became the standard-bearer for the traditional human relation approach to leadership. The results of the prudential studies were always cited when human relation advocates were challenged to prove their theories. The studies have been followed up with hundreds of similar studies in a wide variety of industrial, hospitals, governmental and other organizations. Thousands of employees, performing unskilled to highly professional and scientific tasks, have been analyzed. Rensis Likert, the one-time director of the Institute for Social Research of the University of Michigan, presented the results of the years of similar research in his books and became best known for his "System 4" leadership style.

The Iowa, Ohio State, and Michigan studies are three of the historically most important leadership studies for the study of organizational behavior. Unfortunately, they are still heavily depended upon, and leadership research has not surged ahead from this relatively auspicious beginning. Before analyzing the current status of leadership research, it is important to look at the theoretical development that has occurred through the years.

There are several distinct theoretical bases for leadership. At first, leaders were felt to be born, not made. This so-called "great man" theory of leadership implied that some individuals are born with certain traits that allow them to emerge out of any situation or period of history to become leaders. This evolved into what is now known as the trait theory of leadership. The trait approach is concerned mainly with identifying the personality traits of the leader. Dissatisfied with this approach, and stimulated by research such as the Ohio State studies, researchers

switched their emphasis from the individual leader to the group being led. In the group approach, leadership is viewed more in terms of the leader's behavior and how such behavior affects and is affected by the group of followers.

Finally, some additional theories, in addition to the leader and the group, the situation began to receive increased attention in leadership theory. Some of these theories have been dealt with later in this chapter. The situational approach was initially called *Zeitgeist* (a German word meaning "spirit of the times"); the leader is viewed as a product of the times and the situation. The person with the particular qualities or traits that a situation requires will emerge as the leader. Such a view has much historical support as a theoretical basis for leadership and serves as the basis for situational – and now, contingency- theories of leadership. More recently, some of the expectancy concepts of motivation began to be adapted to leadership. Called the path-goal theory of leadership, this modern approach is a step toward synthesizing motivational and leadership concepts. The leadership substitutes approach recognizes the limitations of existing theories and suggests that environmental factors may take the place of, or "substitute" for, leader traits, behaviors, or processes. Finally, analogous to developments throughout the field of organizational behavior, a behaviorally oriented social learning approach to leadership has been proposed. This comprehensive theory emphasizes the reciprocal determinism among the leader (including his or her cognition), the environmental situation (including followers and macro variables), and the behavior itself. The following will examine in detail these major theoretical bases of leadership.

**A detailed analysis of the various theories is attempted below by the researcher and finally based on Khandwalla 1992 research work on Excellence in Organizational Design an analytical appreciation of the leadership and organization work is provided.**

#### **Analysis of Likert's (Likert, 1961) Approach.**

One of the major criticisms of Likert's work concerns its over dependence on survey questionnaire measures for gathering data to develop the theory and application of system 4 management. Sole dependence on Likert scale questionnaire responses is not enough. There is increasing criticism of data gathered only by questionnaires and interviews. Multiple measures of behaviorally oriented variables in organizations are needed. More use of archival information (existing records kept by every organization for other uses, for example, government reports, personnel records, and performance data) and data gathered through observation are needed.

Although ethical standards must always be maintained, subject awareness must be minimized to increase the reliability and validity of data that are gathered for research purposes. Both questionnaires and interviews have a great deal of subject awareness or intrusiveness. Archival analysis and some naturalistic observational techniques minimize subject awareness and are called unobtrusive measures. Not only Likert's work but also much of the other research reported in this book is based upon indirect questionnaire measures. What is needed is to supplement these measures with other measures such as observations and archival data. As earlier pointed out, the use of multiple measures increases tremendously the chance of getting better, more accurate, and more valid data. Another problem inherent in Likert's scheme besides the real and potential measurement problems is the implication of the universality of the system 4 approach. Likert points out that "difference in the kind of work, in the traditions of the industry, and in the skills and values of the employees of a particular company will require quite different procedures



and ways to apply appropriately the basic principles of system 4 management". But he still implies that system 4 will always be more effective than system 1. Proponents of situational/contingency leadership theories and their research findings would, of course counter this generalization.

**Figure: 4 Rensis Likert Systems of Management Leadership (Fieldman, 1983)**

Table 16.2 Likerts Systems of Management Leadership				
Leadership Variable	System 1 (Exploitive Autocratic)	System 2 (Benevolent Autocratic)	System 3 (Participative)	System 4 (Democratic)
Confidence and trust in subordinates	Manager has no confidence or trust in subordinates	Manager has condescending confidence and trust, such as a master has in a servant	Manager has substantial but not complete confidence and trust; still wishes to keep control of decisions	Manager has complete confidence and trust in subordinates in all matters.
Subordinates feeling of freedom	Subordinates do not feel at all free to discuss things about the job with their superior	Subordinates do not feel very free to discuss things about the job with their superior	Subordinates feel rather free to discuss things about the job with their superior	Subordinates feel completely free to discuss things about the job with their superior
Superiors seeking involvement with subordinates	Manager seldom gets ideas and opinions of subordinates in solving job problems	Manager sometimes gets ideas and opinions of subordinates in solving job problems	Manager usually gets ideas and opinions and usually tries to make constructive use of them	Manager always asks subordinates for opinions and always tries to make constructive use of them.

## **Trait Theories of Leadership**

The scientific analysis of leadership started off by concentrating on leaders themselves. The vital question that this theoretical approach attempted to answer was what characteristics or traits make a person a leader? The earliest trait theories, which can be traced back to the ancient, Greek and Romans, concluded a person is born, not made. The “great man” theory of leadership said that a person is born either with or without the necessary traits for leadership. Famous figures in history- for example, Napoleon – were said to have had the “natural” leadership abilities to rise out of any situation and become great leaders.

Eventually, the “great man” theory gave way to a more realistic trait approach to leadership. Under the influence of the behaviorist school of psychological thought, researchers accepted the fact that leadership traits are not completely inborn but can also be acquired through learning and experience. Attention turned to the search for universal traits possessed by leaders. The results of this voluminous research effort were generally very disappointing. Only intelligence seemed to hold up with any degree of consistency. When these findings are combined with those of studies on physical traits, the conclusion seems to be that leaders are bigger and brighter than those being led, but not too much so.

When the trait approach is applied to organizational leadership, the result is even cloudier. One of the biggest problems is that all managers think they know what the qualities of a successful leader are. Obviously, almost any adjective can be used to describe a successful leader. Recognizing these semantic limitations and realizing that there is not cause-and-effect relationship between observed traits and successful leadership, there is some evidence to suggest that empathy or interpersonal sensitivity and self-confidence are desirable leadership traits.

In general, research findings do not agree on which traits are generally found in leaders or even on which ones are important than others. Similar to the trait theories of personality, the trait approach to leadership has provided some descriptive insight but has little analytical or predictive value. The trait approach is still alive, but now the emphasis has shifted away from personality traits and toward job-related skills. Katz has identified the technical, conceptual, and human skills needed for effective management. Yukl includes skills such as creativity, organization, persuasiveness, diplomacy and tactfulness, knowledge of the task, and the ability to speak well. These skills are important and can be used both to select leaders and in training and development. The guiding principles enunciated above can be extended for biblical work ethics in the secular world. This section examines other biblical principles that are relevant for leadership development. Managers and industry leaders share many things in common with church leaders. Hence, lessons for managers can be drawn from the relationships between church leaders and members of the congregation. The Book of Hebrews exhorts everyone to "Obey your leaders and submit to their authority. They keep watch over you as men who must give an account. Obey them so that their work will be a joy, not a burden, for that would be of no advantage to you" (Hebrew 13;17). There are, however, distinct differences between church leaders and managers in the secular world that must be recognized. For a start, both operate in different organizational settings where objectives are also dissimilar. Outside of the church, it is also possible for a church leader to function as a manager in the secular world. It is within this context that biblical work ethics can be transferred outside of the church to be practiced by a church leader-cum-manager. It is generally recognized that a Christian functions as a church leader because of God's calling and not by choice. When God touches the inner heart of a person to call them to lead the church, they know it is a privilege and that the undertaking carries with it tremendous responsibilities (Lee, 1997). Consequently, there are two key areas that a church leader has to fulfil or strive to fulfil. These two areas concern the leader's role and qualifications within which leadership lessons can be drawn to achieve managerial efficacy in the secular work.

## **Contingency Theories of Leadership**

After the trait approach proved to fall short of being an adequate overall theory of leadership, attention turned to the situational aspects of leadership. Social psychologists began the search for situational variables that impact on leadership roles, skills, and behavior and on followers' performance and satisfaction. Numerous situational variables were identified, but no overall theory pulled it all together until Fred Fiedler proposed a widely recognized situation-based model for leadership effectiveness. A brief review of his research techniques and findings is necessary to fully understand his contingency theory of leadership effectiveness.

**Least Preferred Co worker.** Fiedler, 1967, developed a unique operational technique to measure leadership style. Measurement is obtained from scores that indicate the least preferred coworker (LPC). This LPC approach calculates the degree to which leaders favorably perceive their worst coworkers and relates to leadership style in the following manner:

The human relations or "lenient" style is associated with the leader who gives a relatively favorable description of the least preferred coworker.

The task-directed, or "hard-nosed", style is associated with the leader who gives a very unfavorable description of the least preferred coworker.

**Fielder's Findings.** Through the years the performance of both laboratory groups and numerous real groups (basketball teams, fraternity members, surveying teams, bomber crews, infantry squads, open-hearth steel employees, and farm supply service employees) was correlated with the leadership styles described above. The results were somewhat encouraging, but no simple

relationships between leadership style as determined by the leaders' LPC score and group performance were developed. Eventually, Fiedler concluded that more attention would have to be given to situational variables. He became convinced that leadership style in combination with the situation determines group performance.

### **Fiedler's Contingency Model of Leadership Effectiveness**

To test the hypothesis he had formulated from previous research findings, Fiedler developed what he called a contingency model of leadership effectiveness. This model contained the relationship between leadership style and the favorableness of the situation. Fiedler described situational favorableness in terms of three empirically derived dimensions:

- 1) The leader-member relationship, which is the most critical variable in determining the situations favorableness.**
- 2) The degree of task structure, which is the second most important input into the favorableness of the situation.**
- 3) The leader's position power obtained through formal authority, which is the third most critical dimension of the situation.**

Despite a relative degree of acceptance of the contingency and path-goal theories of leadership and the great (at least relative to areas in organizational behavior) amount of research that has been conducted, few would disagree today that leadership is still in trouble. Leadership is currently being attacked on all fronts- in terms of theories relating to it, research methods for studying it, and applications. There are a number of modified and new approaches that have

emerged. For example, just as the expectancy notions of motivation evolved into the path-goal theory of leadership, so has the attribution approach been used to analyze leadership. There are also a number of new theoretical formulations such as charismatic and transformational leadership. Charismatic leadership is a throwback to the old conception of leaders as being those who “by the force of their personal abilities are capable of having profound and extraordinary effects on followers. Although the charismatic concept of charisma goes as far back as the ancient Greeks and is cited in the Bible, its modern development is attributed to the work of Robert House. This theoretical approach to leadership has only preliminary research findings and a recent behavioral framework contrasting non-charismatic and charismatic leaders. Identifying charismatic characteristics of leaders can become very important as organizations transform traditional ways of being led to meet the challenge of dramatic change. It is this transformation process that has led to another new theoretical development of leadership. Burns identified two types of political leadership: transactional and transformational. The more traditional transactional leadership involves an exchange relationship between leaders and followers, but transformational leadership is based more on leaders’ shifting the values, beliefs, and needs of their followers. Bass applied these ideas to managing modern organizations, and there have been some recent theoretical development and analysis.

On the basis of interviews with top executives of major companies, **Tichy and Devanna 1986 – Transformational Leader**, stress that modern corporate leaders must use a transformational approach to cope with change and use innovation and entrepreneurship. The effective transformational leaders share the following characteristics:

- They identify themselves as change agents
- They are courageous
- They believe in people

- They are value-driven
- They are lifelong learners
- They have the ability to deal with complexity, ambiguity and uncertainty.
- They are visionaries.

In addition to attributional, charismatic and transformational theories, social learning and a substitute approach have emerged to meet the challenge of understanding the complexities and alternatives of leadership. Various theoretical and practical aspects of leadership are available in literature. The classic research studies on leadership set the stage for the theoretical development of leadership. The trait theories concentrate on the leaders themselves but, with the possible exception of intelligence and empathy/interpersonal sensitivity and self-confidence, really do not come up with any agreed upon traits of leaders. In recent times the trait approach has surfaced in terms of managerial skills and abilities identified for selection and training/ development purpose.

Historical contributions to the study of organizational behavior had indirect or direct implications for leadership style. For example, the Hawthorne studies were interpreted in terms of their implications for supervisory style. Also relevant is the classic work done by **Douglas McGregor, 1960**, in which his Theory X represents the old, authoritarian style of leadership and his Theory Y represents the enlightened, humanistic style. And indeed the Theory Z focused on participate management. The studies discussed are directly concerned with style. The Iowa studies analyzed the impact of autocratic, democratic and laissez faire styles, and the studies conducted by the Michigan group found the employee-centered supervisor to be more effective than the production-centered supervisor. The Ohio State studies identified consideration (a supportive type of style) and initiating structure (a directive type of style) as being the major functions of

leadership. The trait, group and social learning theories have indirect implications for style, and the human relations and task directed styles play an important role in Fiedler's contingency theory. The path-goal conceptualization depends heavily upon directive, supportive, Participative and achievement oriented styles of leadership.

**Critical Analysis of the Contingency Model.** Although there is probably not as much criticism of Fiedler's work as there is, for example, of Herzberg's motivation theory, a growing number of leadership researchers does not wholly agree with Fiedler's interpretations or conclusions. For example, Initially some analysts raised some criticisms of the procedures and statistical analysis of the studies used to support the validity of the model Schriesheim (Luthans 1989) and his colleagues have been especially critical of the reliability and validity of the LPC instrument. Fiedler and his colleagues have answered these criticisms of LPC to their satisfaction, but the fact remains that this questionnaire measure (and others such as those developed at **Ohio State and Michigan – (Luthans 1989))** do have problems and may be a major reason why leadership understanding and predictability has not progressed as fast as it was once thought it would. As Korman took care to point out.

The need for better measurement in leadership theory is a matter of prime necessity. Measurement and theory go hand-in-hand and the development of one without the other is a waste of time for all concerned.... The point is not that adequate measurement is "nice". It is necessary, crucial, etc. Without it, we have nothing.

It may well be that there has been an over dependence on the LPC type of measure for leadership theory and research.



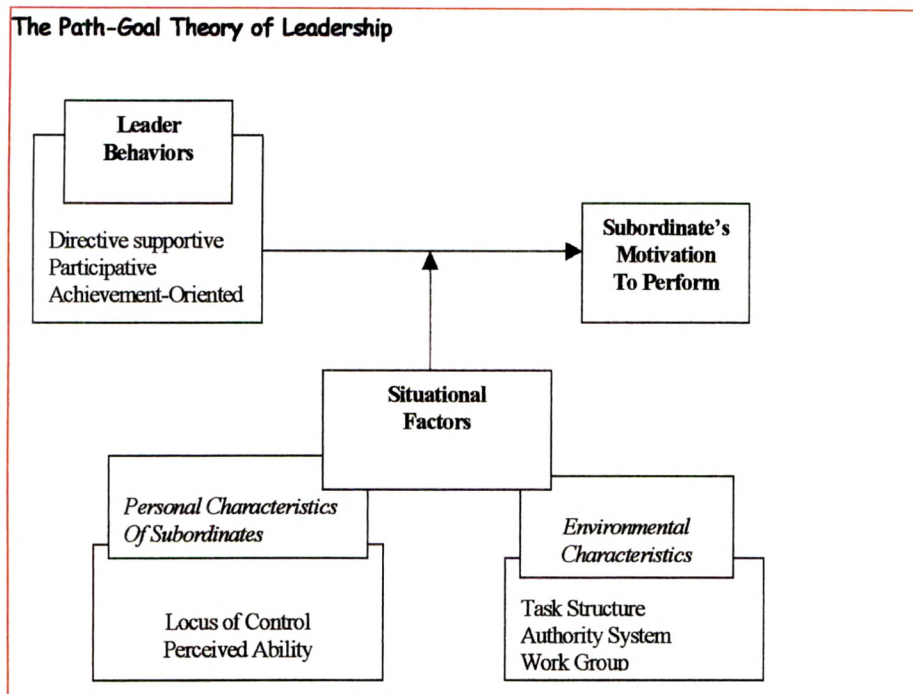
## **Path-Goal Leadership Theory**

The other widely recognized modern theoretical development for leadership studies, besides the contingency approach, is the path-goal theory derived from the expectancy framework of motivation theory. This is a healthy development because leadership is closely related to work motivation on the one hand and power on the other. Any theory that attempts to synthesize the various concepts seems to be a step in the right direction.

Although Georgopoulos and his colleagues at the University of Michigan's Institute for Social Research used path-goal concepts and terminology many years ago in analyzing the impact of leadership on performance, the modern development is usually attributed to **Martin Evans and Robert House**, (Luthans, 1989) who wrote separate papers on the subject. In essence, the path-goal theory attempts to explain the impact that leader behavior has on subordinate motivation, satisfaction, and performance. The House version of the theory incorporates four major types or styles of leadership. Briefly summarize, these are:

- **Directive leadership:** This style is similar to that of the Lippitt and White authoritarian leader. Subordinates know exactly what is expected of them, and the leader gives specific directions. There is no participation by subordinates.
- **Supportive leadership:** The leader is friendly and approachable and shows a genuine concern for subordinates
- **Participative leadership:** The leader asks for and uses suggestions from subordinates but still makes the decisions.

- **Achievement-oriented leadership:** The leader sets challenging goals for subordinates and shows confidence that they will attain these goals and perform well.



**Figure: 5 The Path Goal Theory of Leadership (Fieldman, 1983)**

### **Critical Review of Path Goal**

The more recent reviews of the research on the path-goal theory are not as supportive as the above. For example, it should be noted that only a couple of hypotheses have really been drawn from the theory, which means that it may be incapable of generating meaningful predictions.

Another note of pessimism offered by these reviewers is that only one of the two hypotheses has received consistent empirical support. Research has generally substantiated the hypothesis that the higher the task structure (repetitiveness) of the jobs performed by subordinates the higher the relationship between supportive leader behavior/style and subordinate satisfaction. On the other hand, the second hypothesis- that the higher the task structure, the lower the correlation between instrumental (directive) leader behavior and subordinate satisfaction-has received, at best, mixed research support. Schriesheim and DeNisi then report results of their own research, which indicates that the path-goal theory is capable of producing meaningful and testable predictions beyond the two task structure hypotheses. Also, a recent comprehensive review of forty-eight studies demonstrated that the mixed results of the individual studies, when cumulated were transformed into support for continued testing of path-goal theory. Overall, the path-goal theory, like the other theories presented in this chapter and others, seem to need more research, but it certainly warrants further attention in the coming years. One recent analysis concluded that leaders will be perceived most favorably by their subordinates, and succeed in exerting most influence over them, when they behave in ways that closely match (1) the needs and values of subordinates and (2) the requirements of a specific work situation. In other words, the path-goal theory, like the expectancy theory in work motivation, may help better explain the complexities of the leadership process.

Alternate facets of leadership have been researched in the recent years. Enclosed diagram depicts some work that classifies leadership behavior into role models as appropriately found in the research. Increasing evidence is seen among writers and organizational scientists to identify leadership types and traits that are prevalent in the corporate organizations. While many lack empirical research as they are driven by select organizational content each of them have provided a new look at how leadership styles, skills, traits and behaviors can be described. It is also evident that there is support to this perspective from the many books that are published based on specific

case studies involving select group of organizations and the leadership behavior demonstrated by such leaders. The **Vroom Yetton (Vroom, 1973) model** was first developed several years ago and has since been modified. The model contains five leadership styles, seven situation dimensions, fourteen problem types, and seven decision rules. The leadership styles consist of variations on autocratic, consultative, and group styles, and the situational dimensions are of two general types:

- (1) The way in which problems affect the quality and acceptance of a decision and
- (2) The way in which the problems affect the degree of participation. The seven situational dimensions are stated in the form of “yes”-“no” questions and the answers can quickly diagnose the situation for the leader.

Vroom and Yetton use a decision tree to relate the situation to the appropriate leadership style. The seven situational questions are listed at the top. Starting at the left, the manager would answer each question above the box in the decision tree until it led to the appropriate style. In this way the manager could determine the appropriate style on the basis of the given situation. Vroom and Yetton also point out that the fourteen problem types (the combinations of the seven situational variables, listed as 1 through 14 in the decision tree) could actually have more than one acceptable leadership style. In order to be acceptable, the style must meet the criteria of seven decision rules that protect quality and acceptance. If more than one style remain after the test of both quality and acceptance (and many do), the third most important aspect of a decision- the amount of time- is used to determine the single style that ought to be used in the given situation. The styles shown at the ends of the various branches on the decision tree reflect the single best style that should be used in light of the way the situation was diagnosed by answers to the questions at the top.

The **Vroom-Yetton model** is a fitting conclusion to the discussion on leadership. The progression has been from theory to styles to specific prescriptions. Several studies have tested this model. Vroom and his colleagues have done most of this research, and they do provide some evidence that the model is valid. However, more recent critiques that have closely examined the methodology used in these studies have led to questions about the validity of the model.

Although the potential problem that support of the Vroom-Yetton model may be attributed to chance alone may be discounted, there may be a problem with the dependence on the self-report data. For example, managers going through training and development programs are simply asked to recall a problem they have encountered and to indicate which of the five styles in the model they used to solve the problem. In addition, managers are given standardized problem cases and are asked which style from the model could best be used to solve each case. Such methods, of course, have a number of internal validity problems (experimenter effect and social desirability effect) and external validity problems (the use of standardized cases in a training situation may not generalize to the real world). In addition to the validity problems of the model, it may also have limited utility for two major reasons:

- “First, it is not as parsimonious as other models of leader decision process choice.
- Second it deals with only one aspect of leader behavior, that of selecting different decision processes for different problem situations.”

Vroom answers this criticism by reanalyzing his data and concludes that the relative complexity of his model is justified for predictive purposes. Also, a revision of the model by Vroom and Jago that replaces the yes-no with five-point scales and adds new attributes dealing with time, information, and motivation contains recent research that indicates greater accuracy of prediction.

Overall the Vroom-Yetton model has much surface logic, and it does give precise answers to practicing managers. However, as in the case of the other approaches, more research is needed. On the positive side, its attempt to bridge the gap from theory to practice may be a step in the right direction, and it can serve as a prototype for the actual practice of contingency management.

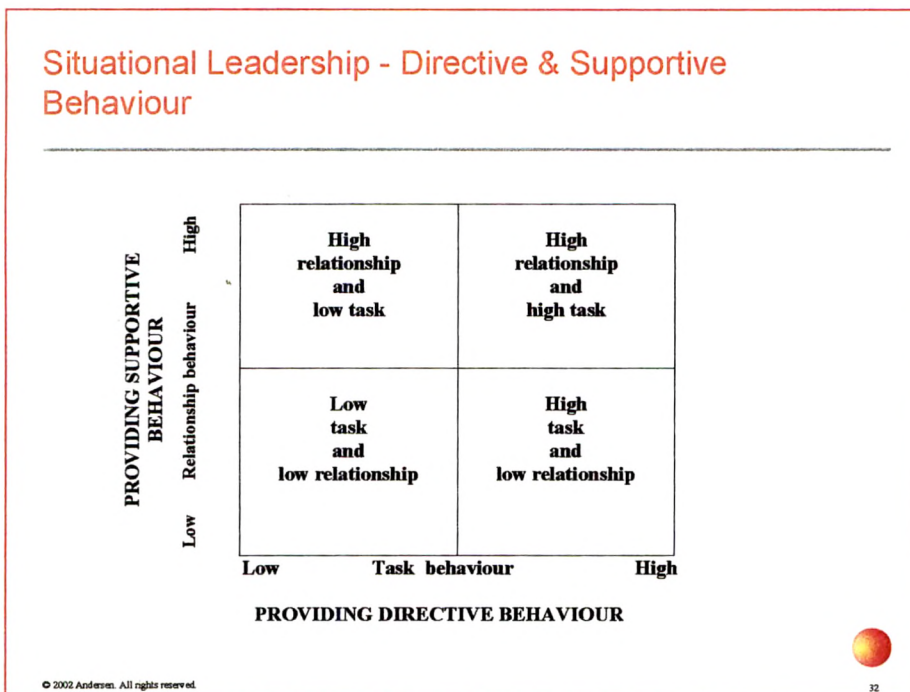
**The Vertical Dyad Linkage Model** (Robbins, 1990) Relevant to the exchange view of leadership is the vertical dyad linkage (VDL) approach, sometimes called leader-member exchange (LMX). The VDL theory says that leaders treat individual subordinates differently. In particular, leaders and subordinates develop dyadic (two-person) relationships that affect the behavior of both leaders and subordinates. For example, subordinates who are committed and who expend a lot of effort for the unit are rewarded with more of the leader's positional resources (for example, information, confidence, and concern) than those who do not display these behaviors.

Over time, the leader will develop an "in-group" of subordinates and an "out-group" of subordinates and treat them accordingly. Thus, for the same leader, research has shown that in-group subordinates report fewer difficulties in dealing with the leader and perceive the leader as being more responsive to their needs than out-group subordinates do. Also, leaders spend more time "leading" members of the in-group (that is, they do not depend on formal authority to influence them), and they tend to "supervise" those in the out-group (that is, they depend on formal roles and authority to influence them). Finally, there is evidence that subordinates in the in-group (those who report a high quality relationship with their leader) assume greater job responsibility, contribute more to their units, and are rated as higher performers than those reporting a low-quality relationship. This VDL theory has been around for some time now, and although it is not

without criticism, in general the research continues to be relatively supportive and seems to have considerable potential for predicting important dimensions of the leader-subordinate exchange.

### **Situational Leadership (Hersey and Blanchard, 1977) and Managerial Grid (Blake and Mouton, 1966)**

Although they recognize that there may be other important situational variables, **Hersey and Blanchard** focus only on this maturity level of subordinates in their model. The key for leadership effectiveness in this model is to match up the situation with the appropriate style. The following summarizes the four basic styles.



**Figure 6: Situational Leadership (Hersey and Blanchard, 1977)**

**Telling style.** This is a high-task, low-relationship style and is effective when followers are at a very low level of maturity.

**Selling style. This is a high-task, high-relationship style and is effective when followers are on the low side of maturity**

**Participating style. This is a low-task, high-relationship style and is effective when followers are on the high side of maturity**

**Delegating style. This is a low-task, low-relationship style and is effective when followers are at a very high level of maturity**

The theoretical rationale is generally criticized as being “weak, because Hersey and Blanchard (Life Cycle and Situational Approach) have neglected to provide a coherent, explicit rationale for the hypothesized relationships.” They also, by their own admission, highly oversimplify the situation by giving only surface recognition to follower maturity. Also, as in the grid approach, there is a noted absence of any empirical tests of the model. One review of all facets of the approach was particularly critical of the instrument that Hersey and Blanchard used to measure leader effectiveness. Overall is true of the other style approaches, this situational approach seems to be of some value in training and development work in that it can point out the need for flexibility and take into consideration the different variables affecting leaders, but until more supporting research is conducted, this type of approach has limited utility for identifying leadership effectiveness.



## The Situational Leadership II® Model

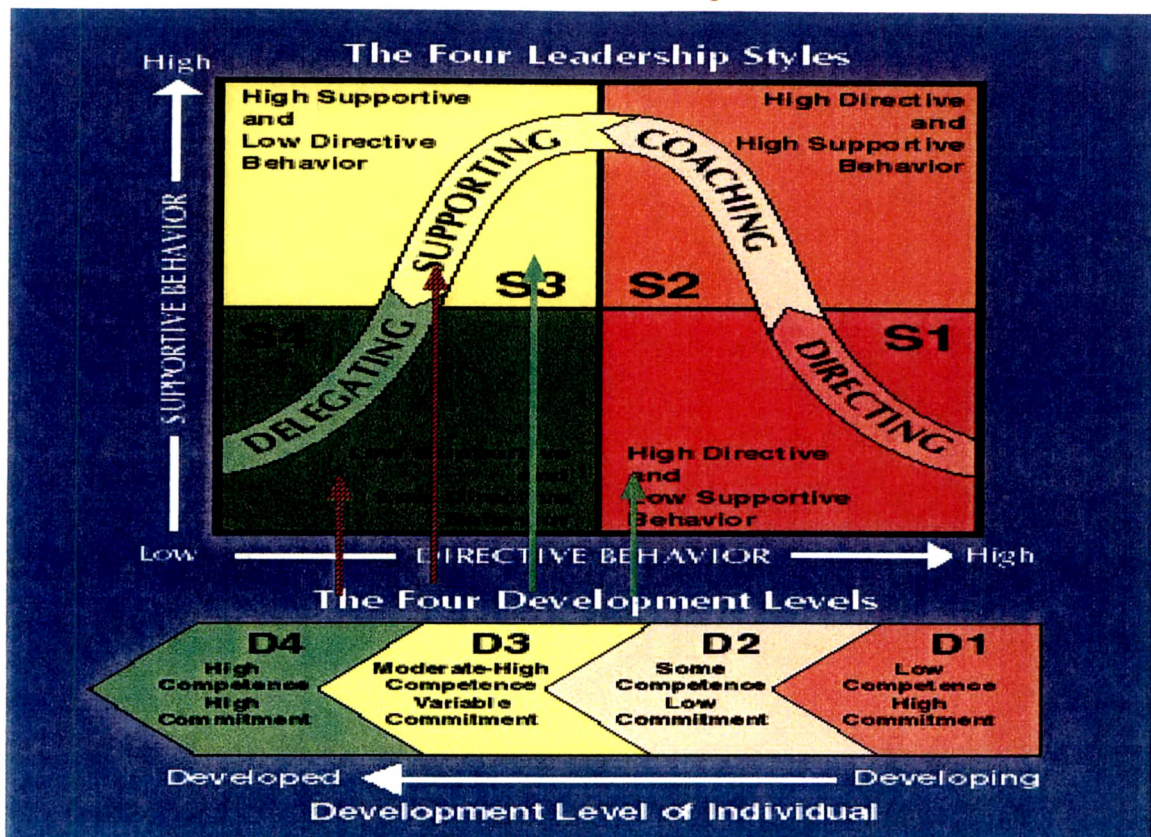


Figure: 7 Situational leadership – Hersey and Blanchard (1977)

### Managerial Grid Style and Systems 4

One very popular approach to identifying leadership styles of practicing managers is Robert R. Blake and Jane S. Mouton's managerial grid. The figure shows that two dimensions of the grid are concern for people along the vertical axis and concern for production along the horizontal axis. These two dimensions are of course equivalent to the consideration and initiating structure functions identified by the Ohio State studies and the employee centered and production centered styles used in the Michigan studies. Leadership style.

Schermerhorn (1996) suggests that leadership is the process of inspiring others to work hard to accomplish important tasks. Leadership is also one of the four functions that constitute the managerial process:

- 1) Planning sets the direction and objectives;**
- 2) Organizing brings the resources together to turn plans into action;**
- 3) Leading builds the commitment and enthusiasm needed for people to apply their talents fully to help accomplish plans; and**
- 4) Controlling makes sure things turn out right.**

An important development in behavioral studies was the development of the leadership grid used as framework for portraying types of leadership behavior and their various potential combinations (Blake and Mouton, 1994). The grids consist of two dimensions – concern for production and concern for people. These two dimensions are integrated to form the 9-by-9-leadership grid. Other managerial traits portrayed in the 9-by-9-leadership grid include:

Grid 1,9 Country Club Management: thoughtful attention to needs of people for satisfying relationships leads to comfortable, friendly organisation atmosphere and work tempo.

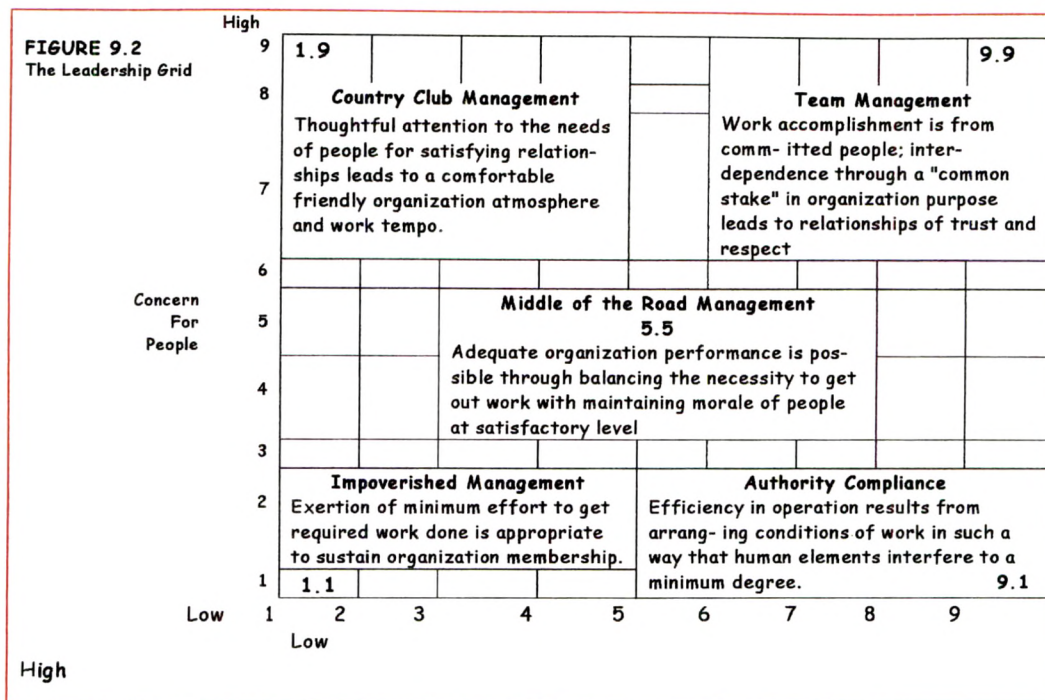
Grid 1,1 Impoverished Management: exertion of minimum effort to get required work done is appropriate to sustain organisation membership.

Grid 5,5 Organisation Man Management: adequate organisation performance is possible through balancing the necessity to get out work with maintaining morale of people at a satisfactory level.

Grid 9,1 Authority-Obedience: efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree. Grid 9,9 Team Management: work accomplishment is from committed people; interdependence through a “common stake” in organisation purpose leads to relationships of trust and respect (Blake and Mouton, 1994). The

five basic styles identified in the grid represent varying combinations of concern for people and production. The 1,1 manager has minimum concern for people and production; this style is sometimes called the “impoverished” style. The opposite is the 9,9 manager. This individual has maximum concern for both people and production. The implication is that the 9,1 is the best style of leadership, and Blake and Mouton have stated in no uncertain terms: “There should be no question about which leadership style is the most effective. It’s that of the manager whom we call, in the terminology of the Managerial Grid, a 9,9 team builder.” Blake and Mouton provided empirical evidence that their interactive notion of leadership style (that is, concern for people interacting with concern for production) has more predictive validity than additive situational approaches. The 5,5 manager is the “middle-of-the-road”, and the other two styles represent the extreme concerns for people (1,9, “country club” manager) and production (9,1 “task” manager). A manager’s position on the grid can be determined by a questionnaire developed by Blake and Mouton and can play an important role in organization development (OD)

The general, employee-centered supervisor, became the standard-bearer for the traditional human relation’s approach to leadership. The results of the prudential studies were always cited when human relation’s advocates were challenged to prove their theories. The studies have been followed up with hundreds of similar studies in a wide variety of industrial, hospitals, governmental and other organizations. Thousands of employees, performing unskilled to highly professional and scientific tasks, have been analyzed. Rensis Likert, the one-time director of the Institute for Social Research of the University of Michigan, presented the results of the years of similar research in his books and became best known for his “System 4” leadership style.



**Figure: 8 Managerial Grid – Blake and Mouton( 1966)**

### **Social Learning Based leadership Approaches**

Any of the other theoretical approaches, standing alone, seem too limiting. For example, the one-sided, cognitively based trait theories suggest that leaders are causal determinants that influence subordinates independent of subordinates' behaviors or the situation. The contingency theories are a step in the right direction, but even they for the most part have a unidirectional conception of interaction, in which leaders and situations somehow combine to determine leadership behavior. Even those leadership theories that claim to take a bi-directional approach (either in the exchange sense between the leader and the subordinate/group or in the contingency sense between the leader and the situation) actually retain a unidirectional view of leadership behavior.

In these theories, the causal input into the leader's behavior is the result of the interdependent exchange, but the behavior itself is ignored as a leadership determinant.

Obviously, the focus of a social learning approach, and what distinguishes it from the other approaches, is the role of leadership behavior and the continuous, reciprocal interaction between all the variables. With this as the focus of attention, the alternative research methods and application, techniques for leadership naturally follow. As Kerlinger has noted, "observations must be used when the variables of research studies are interactive and interpersonal in nature. Thus, there is a need for observational measures of leadership behaviors in naturalistic settings. The research foundation for a Leader Observation System (LOS) has been completed. Now the LOS is being used to analyze various leadership situations and relevant variables. This LOS approach may be an effective supplement, if not an alternative, to the more traditional questionnaire methods used in leadership research.

As far as leadership application for the social learning approach is concerned, the four terms contingency S-O-B-C (situation-organism-behavior-consequence) model can be used by leaders to perform a functional analysis. Unlike the more limited A-B-C (antecedent-behavior-consequence) functional analysis can be either overt (observable) as in the operant view, or covert (unobservable), as recognized in the social learning view, and, of course, recognition is given to the role of cognitive mediating processes by the insertion of the O. The successful application of this S-O-B-C functional analysis to human resources management "depends upon the leader's ability to bring into awareness the overt or covert antecedent cues and contingent consequences that regulate the leader's and subordinate's performance behavior. More specifically, in this leadership application, the subordinates are actively involved in the process, and together with the leader they concentrate on their own and one another's behaviors, the environmental contingencies (both antecedent and consequent), and their mediating cognition.



The leader becomes acquainted with the macro and micro variables that control his or her own behavior. The leader works with the subordinate to discover the personalized set of behavioral contingencies that regulate the subordinate's behavior. The leader and the subordinate jointly attempt to discover ways in which they can manage their individual behavior to produce more mutually reinforcing and organizationally productive outcomes. In such an approach, the leader and the subordinate have a negotiable, interactive relationship and are consciously aware of how they can modify (influence) each other's behavior by giving or holding back desired rewards. Although work has been done on the theoretical development of a social learning approach to leadership, research and application are just getting under way. Only time will tell whether it will hold up as a viable, researchable, approach to leadership. However, because of its growing importance as a theoretical foundation for the fields of psychology and organizational behavior as a whole and because it recognizes the interactive nature of all the variables of previous theories, a social learning approach to leadership would seem to have potential for the future.

### **Group and Exchange Theories of Leadership**

The group theories of leadership have their roots in social psychology. Classic exchange theory, in particular, serves as an important basis for this approach. This means simply that the leader provides more benefits/rewards than burdens/costs for followers. There must be a positive exchange between the leaders and followers in order for group goals to be accomplished. Chester Barnard applied such analysis to managers and subordinates in an organizational setting more than a half-century ago. More recently, this social exchange view of leadership has been summarized as follows:

The person in the role of leader who fulfills expectations and achieves group goals provides rewards for others that are reciprocated in the form of status, esteem, and heightened influence.

Because leadership embodies a two-way influence relationship, recipients of influence assertions may respond by asserting influence in return. The very sustenance of the relationship depends upon some yielding to influence on both sides.

The above quotation emphasizes that leadership is an exchange process between the leader and followers and also involves the sociological concept of role expectations. Social psychological research can be used to support the exchange and role concepts applied to leadership. In addition, the original Ohio State studies and follow-up studies through the years, especially the dimension of giving consideration to followers, give support to the group perspective of leadership. A thorough review of research indicated that leaders who take into account and support their followers have a positive impact on attitudes, satisfaction, and performance. For many organizations today change is problematic. About 80 percent of major organizational change initiatives are said to fail. A fully alert state of consciousness provides the greatest freedom and potential for creative change. The conscious organization takes on the qualities of spontaneous evolution and self-organization (Wheatley, 1992; Ray, 1993) which science has observed in the systems of the natural world. In such an organization, as in nature, evolutionary change is spontaneous, continual, and without resistance.

### **Leadership which promotes full human development**

In a conscious organization, the primary task of leaders will be to promote the full development of all the individual members. This is the epitome of transformational leadership – to lead others to lead them (Manz and Sims, 1993). While each conscious organization will function in a unique manner that fits its circumstances, what will be common to all conscious organizations will be that they engage in practices to harmonize the individual with the cosmos. A few important research studies indicate that followers/subordinates may actually affect leaders as

much as leaders affect followers/subordinates. For example, one study found that when subordinates were not performing very well, the leaders tended to emphasize initiating structure, but when subordinates were doing a good job, leaders increased their emphasis on consideration. In a laboratory study it was found that group productivity had a greater impact on leadership style than leadership style had on group leaders may adjust their supportive behavior in response to the level of group cohesion and arousal already present. In other words, such studies seem to indicate that subordinates affect leaders and their behaviors as much as leaders and their behaviors affect subordinates. Some practicing managers, such as the vice president of Saga Corporation, feel that subordinates lack followership skills, and there is growing evidence that the newer generation of managers is increasingly reluctant to accept a followership role. Moreover, it is probably not wise to ignore followership. Most managers feel that subordinates have an obligation to follow and support their leader. As the CEO of Commerce Union Corporation noted, "Part of a subordinate's responsibility is to make the boss look good."

### **Analytical Perspective on Leadership**

We presented and analyzed various theoretical and practical aspects of leadership. The classic research studies on leadership set the stage for the theoretical development of leadership. The trait theories concentrate on the leaders themselves but, with the possible exception of intelligence and empathy/interpersonal sensitivity and self-confidence, really do not come up with any agreed upon traits of leaders. In recent times the trait approach has surfaced in terms of managerial skills and abilities identified for selection and training/ development purpose.

### **Figure 9: Multiple Facets of a Leader (Andersen 2002)**



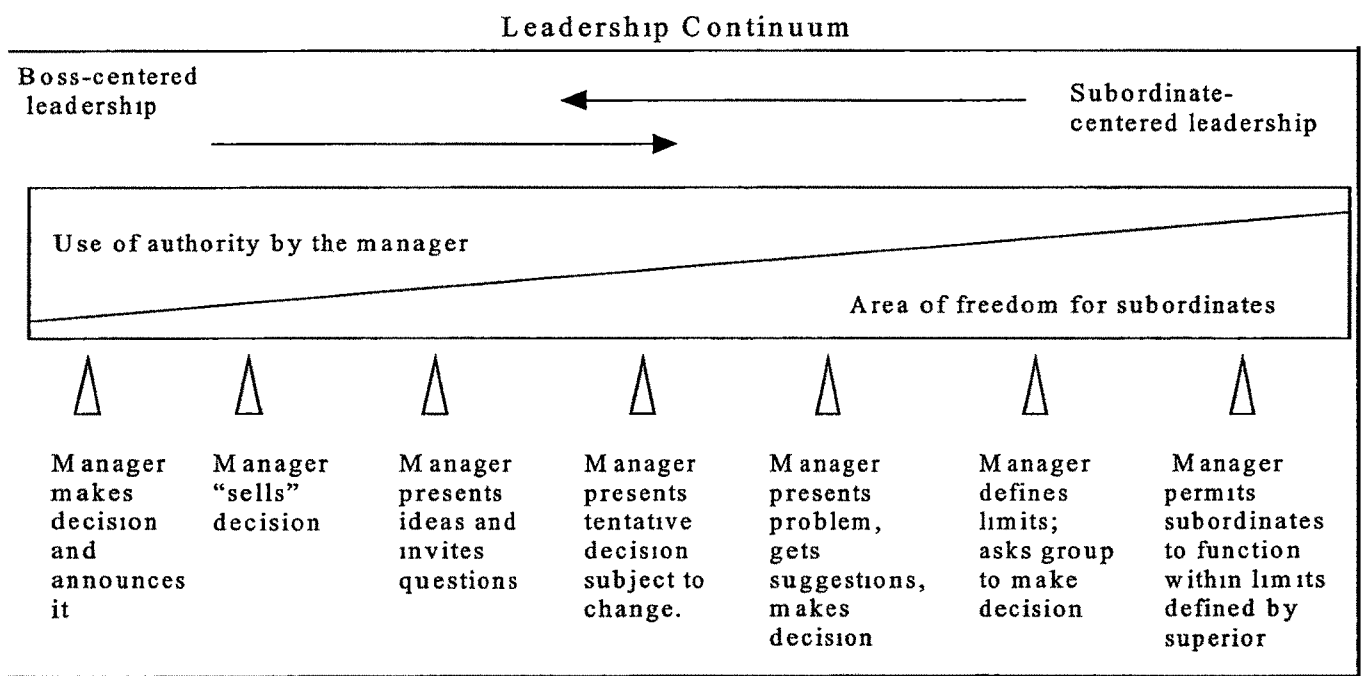
# Multiple facets of a leader

<b>The Pragmatist</b>	You are practical and have enduring appeal. Greatness, gravity, spiritedness, and strength are recognized in your actions. You take decisions based on available information. Judgements are not hindered by emotional needs/ concerns of your followers.
<b>The Hero</b>	Your organisation's success is personified by you. Your followers worship you & embody your values & zeal. You are bigger than your organisation's structure, processes & systems.
<b>The Father Figure</b>	You are a paternalistic leader and your primary decision making style is governed by your concern for the emotional aspirations, needs and wants of your followers.
<b>The Tyrant</b>	You have a passion for authority. You have extreme control over your followers and expect their complete compliance. You are indifferent to a situation in which power, authority and influence are equitably distributed.
<b>The Organizer</b>	You take your decisions through consensus building amongst your followers. You seldom try and impose your own opinions on your followers and would rather foster a collaborative team culture.
<b>The Liberator</b>	You are a crusader and your decision making is governed by an attempt to reduce inequity in your environment.

The group and exchange theories emphasize the importance of followers, and although the vertical dyad linkage (VDL) model is still quite popular and is generating considerable research, the group/exchange theories in general are recognized to be only partial theories. Today, the widely recognized theories of leadership are situational based. In particular, Fiedler's contingency model makes a significant contribution to leadership theory and potentially to the practice of human resource management. The path-goal approach is also an important contribution to leadership theory. It incorporates expectancy motivation concepts. Both the Fiedler and the path-goal approaches have generated a growing body of research on leadership dimensions, but there are still problems. A social learning approach that incorporates the leader, the situation, and the behavior itself is proposed as an alternative theory. This approach emphasizes the importance of behavior and the continuous, interacting nature of all the variables in leadership. Finally it is now recognized that certain subordinate, task and organizational characteristics may substitute for or neutralize the impact that leader behavior has on subordinate performance and satisfaction.

There are many style implications in both the classic leadership studies and the modern theories. Blake and Mouton's managerial grid, Hersey and Blanchard's situational model, and Likert's four systems focus Tannenbaum and Schmidt focused on Boss or Subordinate centered attention directly on leadership styles. Each of these is of value in relation to the actual practice of human resources management. The grid is valuable mainly because it allows managers to describe their styles. Hersey and Blanchard's approach shows how group being led, and Likert's work has implications for organizational effectiveness. Likert's recognition of intervening variables and their time lag affects has significant implications for practice. Finally, the Vroom-Yetton model attempts to prescribe exactly what style to use in a given situation. All these approaches to style need more and better research in order to make meaningful contributions to the actual practice of human resources management in the future

More than the titles we are attempting to understand the underlying meaning of the leadership style and its impact and influence over culture. The verbal descriptions and the relationship between authority and freedom give a rough representation of characteristics of the various styles



of leadership. One thing is certain: leadership style can make a difference. For example, a recent

**Figure: 10 Tannenbaum and Schmidt (1958) Model of Leadership Behavior – The Leadership Continuum**

survey found that senior executives view their companies' leadership styles as pragmatic rather than conceptual and conservative rather than risk taking. Importantly, these same executives felt that to meet their current and future challenges, the styles should be the other way around. For ease of presentation, the styles listed may be substituted for the expressions "boss-centered" and "subordinate-centered" used by Tannenbaum and Schmidt in their classic leadership continuum. Or alternatively as Monitor, Disseminator, Spokesman, Leader, Liaison, Negotiator, Problem Solver and Figurehead as defined by Henry Mintzberg. Or that of Victor Vroom's expectancy theory. Vroom and Yetton attempted to provide a specific, normative model (how decisions "ought" to be made in given situations) that a leader could actually use in making effective decisions.

**Analyzing Power, authority and responsibility in the context of Leadership and its impact of styles and behavior**

It has been observed power performs a significant role in leader behavior and influences the leader's style significantly. It is therefore important to study the various aspects of power and attempt its context when evaluating the appropriate leadership style of leaders.

Power refers to a capacity which the leader has over the behavior of an employee so that the employee will do something he or she would not otherwise do. Bases of power refer to what the manager has that give him powers. The leaders' power bases are what they control that enable

them to manipulate the behavior of others. Pfeffer (1981, 1992) suggest that there are four types of power bases:

*Coercive power* – the coercive power base is dependent on fear. The manager has coercive power over employees if they can dismiss, suspend or demote them.

*Reward power* – the opposite of coercive power is the power to reward. Material rewards would include salary and wage increase, commissions and fringe benefits.

*Persuasive power* – if a person can decide who is to be hired, manipulate the mass media, control the allocation of status symbols or influence a group's norms, they have persuasive power.

*Knowledge power* – when an individual controls unique information and when that information is needed to make a decision, that individual has knowledge-based power.

The types of power bases are, however, dependent on the sources of power. Sources of power reveal where managers get their power base. The four sources of power identified by Pfeffer (1981, 1992) are:

*Position power* – position power resides in the position regardless of the person holding the job.

*Personal power* – personal power resides in the person regardless of his or her position in the organisation, for example, if that person has charisma.

*Expert power* – those who have expertise in terms of specialized information can use it to manipulate others.

*Opportunity power* – being in the right place at the right time can give the opportunity to exert power.

Authority is power that has been legitimized within a specific social context. Only when power is part of an official organizational role does it become authority. Authority includes the legitimate right to use resources to accomplish expected outcomes (Luthans, 1992; Schermerhorn, 1996).

Responsibility is an obligation to do something with the expectation that some act or output will result. Authority is closely linked to responsibility because a manager responsible for accomplishing certain results must have the authority to use resources to achieve those results. The relationship between responsibility and authority must be one of parity, that is, the authority over resources must be sufficient to enable the manager to meet the output expectations of others. There are, however, some important differences between authority and responsibility. Responsibility cannot be delegated down to others but authority can (Kelly, 1980).

Managers are usually quite willing to hold individuals responsible for specific tasks but are reluctant to delegate sufficient authority for them to do their jobs well. In effect, managers try to rid themselves of responsibility for results but yet are unwilling to give away their cherished authority over resources (Moorhead and Griffin, 1995).

## **Comparative Research Critique**

**Falling back on the work done by Khandwalla (1992) we now turn to some comparative Research Analysis of select works to provide a perspective towards building our proposition on connecting leadership to organizational models and culture. This work has been specifically brought in here to bring together the relevance of going beyond understanding leadership for its merit but connecting leadership in the context of organizations. This critique as a consequence deals with leadership impact in varying situations including, strategic planning, globalization, cultural change, people strategy, innovation corporate excellence, transformation and organizational leadership. The researcher hopes to get closer to the aspect of bringing relevance and appropriateness of studying core fundamental theories in regard to culture, leadership and organization and also studying cross comparison studies to make the connection amongst these three variables legitimate.**

### **Efficacy of Effective Human Relations (Rensis Likert – Khandwalla 1992))**

Humans lead organizations, and the quality of their leadership can make or mar organizational excellence. The study is by Likert of the leadership style of 31 U.S. organizations. The going concept of effective leadership in the fifties when Likert did his study was that of a great man or a ferocious taskmaster. Likert showed that employee-oriented leadership that works to develop a team through participatory decision-making may give better results than one that is excessively task oriented. That of Bowers's follows Likert's study and Seashore, in which the concept of human relations oriented leadership, is further elaborated. But human relations may not be enough. For surpassing achievement, leaders of organizations need to 'turn on' their staffs for extraordinary efforts Bennis and Nanus did a study of 90 U.S.

leaders of organizations who led by vision, positioning, and trust. Singh and Bhandarkar have reported a detailed study of five Indian 'transformational' leaders who changed the culture of their respective organizations and fairly dramatically improved their performance. Finally, Woycke's study reports the contrasts between charismatic leaders and non-charismatic leaders of Third World governments.

In the fifties, Rensis Likert emerged as a research-oriented spokesman for the efficacy of good human relations in organizational settings. He provided considerable data to try and show that employee-oriented supervision, cohesive groups, and good communications at work are associated with high group productivity. In one of the studies conducted at the Institute for Social Research at Michigan University, U.S., data were collected from 31 geographically separated departments of a company. These departments performed essentially the same functions. The extent to which their managers were employee oriented and used group discussion methods to solve problems and make decisions (human relations oriented leadership) was measured through a questionnaire. This measure of the manager's human relation's orientation was correlated with the productivity of the department. What is more, it was correlated with the desire for greater responsibility on the part of their subordinates. It was also found that the group of departments with human relations oriented leadership, high loyalty of the subordinates to the department, etc , had the best productivity record. Similar results were found in a study of voluntary organizations; their rated effectiveness was correlated with how participatively operated the voluntary organizations were.

### **Influence of Leadership Style on the Organization (Bowers and Seashore – Khandwalla 1992))**

In a study of 40 agencies of an American life insurance company, were interested in studying how the style of the leader of the organization influences the performance of the organization. Bowers and Seashore developed several measures of performance for these agencies. Then they tried to relate them to few dimensions of leadership:

- The extent to which the leader extends support to his subordinates;
- The degree to which he facilitates interactions between them, through, for example, group decision making;
- The extent to which the leader facilitates the work of his subordinates through planning, scheduling of work, etc.; and
- The degree to which the leader emphasis the achievement of organizational goals. Bowers and Seashore found that all these dimensions of leadership were correlated with decrease in business costs, that is, with efficiency. Since Bowers and Seashore were measuring the human relations style of leadership (emphasis both on employee needs and organizational requirements), their study suggests that human relations oriented leadership tends to improve organizational efficiency.

Studies in India seem to buttress this finding. J.B.P. Sinha, for example, found that in work groups with what he called the NT (nurturing-task) type of leadership, the performance tended to be better as compared to work groups with authoritarian



leadership. Participatory leadership also performed better. Singh, Warriar, and Das found that the participatory, democratic leadership style was the best in a study of 24 groups. In a study of some textile mills, the Padakis found that a progressive sort of paternalism was more in evidence in two high performance mills than in two low performance mills.

### **Influence of Leaders towards Corporate Excellence (Bennis and Nanus – Khandwalla 1992))**

Bennis and Nanus interviewed 90 American leaders – 60 ‘successful’ corporate chief executives and 30 ‘outstanding’ leaders from the public sector. While no performance data were provided, the assumption seemed to be that these were leaders of excellent American organizations and they had contributed to the excellence of the organizations they led. Bennis and Nanus found that these leaders tended to be transformational leaders, that is, they got the commitment of their staff to effective organizational action, converted followers into leaders, and leaders into agents of change. They passionately articulated a vision of organizational excellence and thereby provided a focus for the organization, glue that welded its different stakeholders together. They effectively communicated their vision not just through information but also through graphic metaphors, analogies, gestures, drawings, symbolic acts, that made their vision and values come alive to others. They created trust by highlighting the direction of change for the organization and by exhibiting their dedication to it. Without being egotistic these leaders had positive self-regard and the self-confidence that comes with it, and they knew well their strengths and weaknesses, and to match their strengths and skills with their jobs. Their positive

self-regard turned on their followers and made them confident of achieving high success.

### **Transformational Leadership (Singh and Bhandarkar – Khandwalla 1992))**

They intensively studied five Indian transformational leaders who had effected substantial changes in the operating cultures of their organizations as well as in their performance. A number of managers in each organization rated what the culture of the organization was before the leader took charge and what it was some years after he took charge. They also rated their leader. These leaders apparently changed the organizational culture towards more open vertical and horizontal communications, participative target setting, teamwork, role clarity, meritocracy, decentralization, Innovativeness, risk taking, results orientation, dynamism, concern for tasks as well as people, etc. Overall, the eleven most widely noted traits of the five leaders were:

The leader empowered his subordinates, that is, made them feel that they were worthwhile and important to the organization.

- He was willing to take risks to achieve results.
- He was clear about the mission, purpose and goal of the organization.
- He was a good team builder, capable of generating positive group feeling among the members.
- He kept his balance in the face of calamities.

- He was a good boundary manager, ably managing the organization's interface with the government, politicians, and heads of other organizations and departments.
- He felt care and concern for the individual – for his work as well as his personal problems.
- He was quite open and receptive to the new ideas of others.
- He was a good planner.
- He evoked a sense of confidence and trust.
- He was accessible to anyone who wanted to see him.

The work of Singh and Bhandarkar suggests that the transformational leader in a Third World setting must be an effective human relations leader; he/she must also be good at boundary management, entrepreneurship, planning, and stress management.

#### **Innovative Entrepreneurs (Manimala- Khandwalla 1992)**

Here the researcher's interest was in examining how pioneering and innovative (PI) entrepreneurs differ from non-PI entrepreneurs in the decision rules or 'heuristics' they use in running their business. He studied 164 cases of mostly 'successful' entrepreneurship (all cases were Indian barring a few Canadian ones). He developed an index of Innovativeness in which he included not only items of technological innovation (new products and/or manufacturing process) but also innovations in various areas of management such as finance, human resource management, marketing, government relations, organizational structure, etc. He scored each case on this index of Innovativeness, and then compares the decision rules used by those

with relatively low scores. Some major differences emerged. For instance, PI ventures tended far more to search continuously and widely for new growth ideas, and preferred to develop their ideas in-house rather than just borrow them. They also preferred more commonly to build up their resources, expertise and capabilities before seeking technical or financial collaboration with other parties. They were also more inclined to enter new markets through new products where there was virtually no competition, and they tended to rely more heavily on quality and reliability of their products as tools of competition. They preferred more often to start small, learn the ropes, and then grow fast, generally by diversifying in areas related to their main business.

As they grew in size they tended more often to professionalism their management and sought to delegate authority but with accountability (e.g. by creating divisions and profit centers). They tended to rely more than the low Innovativeness ventures on expertise. They rewarded competence more, and also stressed more teamwork, trust, and looking after the needs of their staff (paternalism). They took more risks but they reduced them by aggressively seeking relevant information and by pilot testing ideas. They spent more effort to build up a network of influential contacts by serving on various public bodies, helping other firms in distress, inducting influential persons on their boards, taking initiative during a social crisis, etc. Manimala's study indicates alternative sorts of management in competitive domains, one that goes for exclusive niches through innovation, and the other that seeks survival and growth in familiar terrain.

### **Performing in a Volatile Business Environment (Hall – Khandwalla 1992))**

William Hall found it intriguing that in many highly competitive, mature, declining American industries like steel, construction equipment, automotive, and cigarette, there were at least a few companies with excellent profitability well above the average for the industry. How did these enterprises retain excellence when their domain was crumbling? Leading companies in eight industries facing a hostile environment averaged 20% return on equity, versus 13% for the eight industries, and 15% for the 1000 largest U.S. corporations (Fortune 1000 companies). Hall examined the business strategies of the two most successful companies in each of the 8 depressed industries. He found that single-mindedly they followed one of two basic strategies.

- Achieve the lowest unit costs relative to competitors, coupled with an acceptable product quality, and a pricing policy to gain profitable volume and market share growth (that is, a relatively low price policy based on low unit costs); or,
- Achieve the highest product/service/quality differentiated position relative to competition, coupled with both acceptable unit costs and a pricing policy that yielded sufficient margins (that is, a relatively high price policy based on perceptions by customers of premium product quality). The low prices invested heavily in the latest, most efficient technology. The high prices identified niches in which their products commanded premiums.

### **Culture to Diversify (George – Khandwalla 1992))**

Paul George wanted to see if the type of diversification strategy pursued by a corporation affected its long-term performance. He studied the financial performance of 32 pairs of Indian private sector manufacturing companies. In each pair one had diversified and the other in the same industry had not. He found that the diversifiers tended to outperform the non-diversifiers. George also studied the sort of diversification pursued by the diversifiers. He identified four different types of diversification: related, dominant unrelated (a major business with one or more relatively minor unrelated diversification's), restricted unrelated (two or more unrelated groups of products, but related diversification within each group), and unrestricted unrelated in which no single group of products was dominant. George found that related diversifiers tended to outperform unrelated diversifiers. Dominant unrelated diversifiers showed the best performance while the worst performance was of unrestricted unrelated diversifiers. George's results were broadly similar to the results of Western studies of diversification. What is more, Western research also indicates that diversified companies that decentralize by adopting a divisional form tend to perform better than those that do not divisionalize.

### **Turnaround Strategies in the Third World (Khandwalla 1992)**

Khandwalla tried to identify the kind of management needed in Third World conditions to regenerate sick organisations. In this study, ten Indian companies were examined that had been sick but had attempted to turnaround, that is, become healthy again. Half were relatively successful in improving their financial performance; the other half, from roughly comparable industries, were much less

successful. Both groups had changes in their top management's and had the support of financial institutions and other stakeholders as part of their turnaround strategies. But the more successful group reported far more numerous attempts at enforcing management control over operations early in the turnaround effort, and many more attempts at quick pay-off projects, quick or immediate reduction in costs, and attempts at increasing sales revenues. Also, they were far more aggressive in mobilizing the staff for turnaround through such devices as sharing the facts about the organisation's sickness with them. And getting staff members to participate in decision making, forming task forces to look into problem areas and to recommend solutions and help out in the implementation etc. The more successful management also paid more attention to better coordination of operations by forming coordination committees and setting up forums to review performance and actions in various areas of the organisation. Compared to the less successful ones they seemed much more dynamic and also seemed to act on many more fronts simultaneously.

Professional management originated in the West. With its emphasis on expertise, meritocracy, proper management systems and procedures, concern for optimal performance on a number of goals, etc. it has been thought of as a major force for excellence in Third World settings. A number of management institutions have been set up in Third World countries to promote professional management. Three studies follow that examine the relationship between professional management systems and practices and organizational performance. The first is a study by Negandhi and Prasad of 30 companies operating in India, half of which were U.S. subsidiaries practicing American style professional management. The second is a study by Thurne and House of the contribution of long range planning to corporate performance. The third is a study by Enthemkuzhy of the possible contribution of

human resource development systems and practices to organizational performance. These studies indicate the practices needed for institutionalized and versatile types of organizational excellence.

### **Benchmarking Best Practices (Negandhi and Prasad – Khandwalla 1992))**

Negandhi and Prasad examined 15 pairs of Indian companies. In each pair, one company was under indigenous management while the other, in the same industry, was a subsidiary of an U.S. company, and therefore reflected American management practices. Most of the pairs were chosen from relatively sophisticated technology industries like pharmaceuticals, heavy machinery and engineering, metals, etc. The attempt was to see how differences in national corporate management philosophies affected performance. Negandhi and Prasad developed a measure of progressiveness of management philosophy. Aggregating the top management's concern for serving various stakeholders such as employees, consumers, distributors, suppliers, owners, government, community, etc did this. They also developed a measure for the progressiveness of organizational practices. Companies that were decentralized and participatively managed had formalized personnel practices (systems of manpower planning, staff selection, training, appraisal, compensation system, etc.). And had instituted "professional" management processes (such as long-range planning, budgeting and resource allocation, goal setting, cost and quality control, etc) scored higher on progressiveness of practices than companies that were centralized and authoritarian, did not have formalized personnel management practices and professional management processes.



Negandhi and Prasad developed a subjectively assessed measure of excellence that they called managerial effectiveness. Its ingredients included whether or not the organization could attract high level manpower. Whether or not this manpower was properly utilized for policy making and planning, how low were staff turnover and absenteeism, how high was the staff morale and cooperation, how well the organization adapted to external environment, whether executives stressed corporate or departmental objectives, etc. Negandhi and Prasad found that American subsidiaries generally outscored their Indian counterparts on progressiveness of management philosophy, organizational practices, and managerial effectiveness. Furthermore, all three were correlated, so that those companies that had progressive management philosophies also tended to have progressive organizational practices. And including managerial effectiveness, while those that did not have a progressive management philosophy (that is, did not have adequate concern for the various stakeholders) tended to be low on progressive organizational practices and managerial effectiveness.

#### **Strategic Long Range Planning Effectiveness (Thune and House – Khandwalla 1992))**

Thune and House wished to determine whether formal long-range planning, an important component of organization and management, contributes to corporate performance or not. In their study, a company had a formal planning system if the company specified its corporate strategy and goals for at least three years into the future and developed specific operating procedures and programs for achieving these goals. If neither condition was met, the company was deemed to be a non-planner. Thune and House studied the performance of 17 matched pairs of companies in 6

American industries over a 7-year period. In each pair one was a planner, the other was a non-planner. In each pair, the companies were matched for size, rate of growth, and industry. Thune and House found that though the pairs were initially matched for size and growth rate, the planners significantly outperformed the non-planners. Indeed, the planners surpassed their own performance before they took to planning.

Two Third World studies tend to support the Thune and House finding that planning contributes to organizational excellence. In a study of state-owned enterprises of the Indian state of Andhra Pradesh, Bhatt found that those enterprises that planned tended to perform better than those that did not. Jorgensen, examining the performance of eleven East African state-owned enterprises, found a strong correlation between profitability and internal planning (internal planning meant that the enterprise made its own plans rather than being saddled by government directives about its future activities).

### **Global leadership (Woycke -- Khandwalla 1992))**

Woycke's study of 20 Third World leaders, half of whom were 'charismatic' (e.g. Castro, Nasser, Nehru, Sukarno, and Mao Zedong) and half non-charismatic, makes some points that are similar to those made by Bennis and Nanus. Eight traits differentiated the charismatic from the non-charismatic leaders. First, the charismatic leader seemed to have a magnetic or compelling personality. Second, the charismatic leader had a sense of calling, something he just had to do. Third, the charismatic leader identified himself with his mission in life. Fourth, the charismatic leader was an orator who could move the masses. Fifth, the charismatic leader was

adept at using symbols and slogans. Sixth, others saw the charismatic leader as a supreme, the ultimate fount of legitimacy. Seventh, the charismatic leader unified followers and sought and got support across contending factions. Eighth, the charismatic leader was able to get loyalty and devotion of his followers.

Does the Third World need transformational or charismatic leaders? Both share some traits, but they also differ. The charismatic leader captivates followers; the transformational leader empowers them, turns followers into leaders, leaders into change agents, and thereby reduces their dependence on him/her. The charismatic leader reinforces uncritical hero worship and the herd mentality of dependency prone people; the transformational leader evokes autonomy and self-reliance. While the charismatic leader may have a role to play in unifying bickering factions, he/she can also strand followers in a morass of sentimental dependency. Transformational leadership may be more conducive for individual and organizational excellence in the Third World.

Growth, competitive and turnaround strategies as contributors to organizational (especially corporate) performance have received a great deal of attention. Competition in liberalizing Third World economies is growing, although it may not yet have reached the level of intensity in most Western countries. Growth and rehabilitation from sickness remain difficult problems in the Third World contexts plagued by government controls, bottlenecks and scarcities. An American study of competitive strategies is followed by two Indian studies, one of corporate diversification strategies and their relationship with corporate performance, and the other of the sort of management that differentiates successful from less successful turnaround management.

### **HRM Survey Effectiveness (Enthemkuzhy- Khandwalla 1992)**

Abraham Enthemkuzhy did a survey of human resource development (HRD) practices in 68 Indian organizations. HRD has been a relatively new field of 'people management'. It differs from personnel management in being far more concerned with developing the potentialities and competencies of organizational members than traditional personnel management is. The basic idea is to help people develop their potential so that they can contribute more to organizational excellence. Enthemkuzhy tried to measure various elements of HRD, such as HRD profile (HRD-oriented training, promotion, rewards, etc.). HRD climate (an organizational climate of trust, collaboration, authenticity, etc. in which human growth becomes likely, and the perception of existing personnel practices as developing inducing).

Enthemkuzhy constructed an index of growth in company profitability as a measure of organizational performance. He was, however, able to use this measure of performance for only 14 out of the 68 organizations he studied. He found that while HRD profile was not correlated with organizational performance, HRD climate was. Thus, while HRD, as a formal system may not contribute much to organizational performance, the widespread perception of employees that they can grow in the organization may. Or to put it differently: It is not enough to have a good personnel management system; it is important that it is seen by the staff to be useful for their and the organization's growth.

Although organizational leadership, style of management, strategy, management systems, etc. can contribute to organizational excellence. They may contribute even

more when they are properly combined, that is, when the organization is so designed that synergistic combinations keeping in mind the context in which the organization operates multiply their individual strengths. As an example, two airlines may perform equally well even though their organizational designs are diametrically opposite. The first may be effective because it operates on only a few contiguous lucrative routes, and therefore can be tightly managed from the top. The other operates on many routes and competes on a national or international level with other large airlines, and therefore needs to be decentralized and professionally managed, with a sophisticated performance information and control system. Good fit among the components of organizational design and with features of the operating context is a complex but exciting frontier of organizational studies. Five studies follow that address themselves to this issue.

#### **Cultural Task and Organizational Fit Analysis (Lawrence and Lorsch – Khandwalla 1992))**

Lawrence and Lorsch studied 10 U.S. business units in the plastics, container, and packaged food industries. They were interested in seeing whether the fit between the nature of the task environment of the organization and the structure of the organization is a significant influence of organizational performance. Half of the units picked by Lawrence and Lorsch were considered high performing in their respective industries while the other half were considered relatively low performing. Lawrence and Lorsch noticed that the extent to which the organization's structure and managerial culture as internally differentiated varied with the extent to which the organization's operating environment was differentiated. That is to say, how different the environments of the unit's production, sales, and R&D departments

were from one another influenced the extent to which these three departments differed in their structure and managerial culture from one another. But the extent of structural differentiation did not seem, to be relevant to organizational performance. What seemed to distinguish high performers from low performers was the extent of organizational integration – how well the various departments collaborated. When this collaboration was high even when organizational differentiation was high, the performance was especially good. Large organizations tend irresistibly to get differentiated because of increasing functional and role specialization, long hierarchy, etc. The critical lesson of the Lawrence and Lorsch study is that for organizational excellence the management must pay special attention to practices, systems, and structures that improve coordination and collaboration between parts that otherwise may have the tendency to work at cross purposes.

We have presented a vision of organizations that sponsors leadership to sustain and achieve continuous learning and growth by attunement with the holistic intelligence at the basis of nature's functioning. For practitioners, the implication is that new levels of efficiency, quality, pollution-free progress, fulfillment, health, and prosperity can be achieved by adopting specific practices to harmonize the individual and the organization to the cosmos. The seven areas of growth can guide research on such organizations.

## **Leadership Definitions in the context of the Evolving Culture**

**Given the above detailing of leadership theories and its development, the Researcher has proposed leadership definitions and questions in the context of an “Evolving Culture” defined by addressing 5 questions in respect of ORGANIZATION and MANAGEMENT MODELS AND 5 QUESTIONS IN RESPECT OF ITS LEADERSHIP.**

**Four sets of questions have been addressed with a broad definition of what do these questions focus upon in the context of the Evolving Culture.**

- 1. How does the Leader influence the organization history, tradition, management style, structure, and communication and performance ethic?**
- 2. How does the Leader drive the organization?**
- 3. What does the Leader focus upon?**
- 4. How does the Leader act?**

The Researcher wishes to establish and elicit specific leadership styles as a part of the research to enable a unique identification to that particular style.

**Leadership Questions addressed deals with:**

- 1. How does the Leader influence the organization history, tradition, management style, structure, and communication and performance ethic?**

The CEO enables the organization to change, manage people strategies and influence existence of specific cultures. The leader emphasizes culture as an important aspect of organizational building

and believes in influencing people to shape cultures. The leader facilitates people practices, HRM activities, organizational climate and its conduciveness to performance. The leader mentors, coaches, teaches, builds other leaders, and enables work processes that make work life easy for organizational members. The leader pays attention to building knowledge and enables the organization to retain an open and invigorating mind to unknown environments. The leader supports innovation as a necessary competitive condition to learn, sponsors risk-taking behavior and drives people to fly into unknown territories. The leader emphasizes teamwork, enables interdependencies between functions, businesses, technologies and the organization as a whole. Spends over 50% of time to manage employee retention and rewarding high performers. The leader provides a vital direction to restructure and right size as situation demands, yet retaining the option to break and build as deemed appropriate. The leader is focused on the vision, practices values, emphasizes individual intellect as they impact organizational goals, actively participates in attracting, retaining, and rewarding talent and leads in times of crisis. The leader acknowledges the presence of a culture and without denying its presence attempts to manage it to the organizational advantage. The leader believes in competing in challenging environments by preparing the organization in advance, sets meaningful goals and targets and competes to conquer. The leader practices what he/she wishes to implement. There first desire to work effectively as followers and thereafter take on a leadership mantle. Some critical issues outlined below are also addressed: How did the organization get to be the way it is? What are the people here like to work with? Why? What are the spotlight measures of performance and the spotlight rewards and punishments? What is done to help a person along once he or she starts work in this organization? What does it take to do well in the organization? How are good people recognized? How does one find out how one is performing in this organization? What are the ways one finds out what is really going on in the organization?



## **2. How does the Leader drive the organization?**

The leader drives by example and by experimentation. The leader seeks to create a high performing culture. The leader makes his voice and choice adequately known to organizational members and makes no bones about letting known pleasure and displeasure. The leader has a point of view. A driven need to motivate and keep people in the right frame of mind to be productive and happy. And by the need to make people, processes and systems learn from one another, interact to make a meaningful whole and are constantly seeking holistic behavior from organizational systems. They work by encouraging things to be worked out, provide job clarity, coaches and rewards for performance. Seek participation by sharing strategic goals, communicates, shares values, distinctive concern for individual sensitivity, empowerment, delegation, clear accountability and demonstrated by examples. Communicate and keep in touch by institutionalizing policies that provide clarity to goals, tasks and manages a team through maintaining status quo through conflicting circumstance and taking decisions that involve retaining established norms and practices. Driven by the urge to create, make actions intellectually dominant, treats developmental processes a predominant organizational factor and is willing to compromise for nothing other than intellectual superiority in actions. Asks organizational members to think science rather than processes that cannot be proven. A strong sense of engineering sciences, that technology provides solutions to complex organizational problems, quantitative approaches to most problems and believes in logic and rationality as desired attitudes. Enabled by a performance system that overrides all other considerations and makes individual targets an important element achieving results. Driven by the belief that direction, coaching but through collaboration enable for the organization business models that are appropriate and accepted by people and goals that have been worked to individual and organizational advantage.

### **3. What does the Leader focus upon?**

The Leaders basically focuses on results, figure the drivers and key success factors of the organization, the revenue model, shareholder priority, the means and methods, resources and talent and the ethics of why should it be done. Additionally enable training and competency development, customer and client understanding problem-solving mechanisms within and without the organization and spend time on essentials. Focus on creating people oriented systems that enable a culture that brings individuals, teams and organizations together. Create a climate to establish through clear policy perspectives and on delivering intellectual and performance value that sponsors native instincts, creative pursuits, feedback and review processes and encourages actions that facilitates results. Keep people and processes aligned on building for the future through institutional processes, demanding systems that connect organizational functions and works through structures that are streamlined, regulated and planned. Make happen action on building loyalty through establishing people oriented systems that enable handling tasks that are individually focused. Keen on managing for today adequately. Focus on attracting and nurturing talent, systems and processes that are of utility today and tomorrow, more tomorrow, and is willing to absorb the costs of human and organizational process costs as a necessary condition of managing the human mind. Sharpen their inclination on adding technical and functional values to business situations enables competency development that is vertical and incisive and promotes organizations to drive business through technological excellence. Establish and communicate priorities that are determined quickly, enables efficient systems, dislikes elaborate meetings, followed through decisively and ensures that different parts of the organization are focused on their own deliverables. Some issues range from: Who are the three or four key people in the leadership of the organization? How did they get to the top? Organizational Effectiveness and Satisfaction issues? What is the one thing the organization doesn't do as well as it should? Where

is the organization headed? What is the employee turnover in the organization relative to other comparable organizations? What is the status of Individual in the Organization? What is the prospective boss like? On which key groups or individuals, in addition to one's prospective boss, would one be most dependent to get the job done successfully? What are the biggest hurdles that have to be overcome to do the job well? What important sources of support are potentially available for getting the job done well? Is there a possibility of becoming stereotyped in the organization? What is the status of those who are similarly stereotyped? What are the prospects for the newcomer's acceptance into the culture? Organization's Agenda for the Individual? Why does the organization want to hire the individual? What does it value about the individual? Where are the individuals now who previously held the job for which the individual is being recruited? Why did they move on? Is "bait and switch", "bait and keep", or "bait and eat" the organization's agenda?

#### **4. How does the Leader act?**

Action oriented to demonstrate by action that concern for people enables organizations to perform above expectation, towards developing people competencies ensures organizational competitiveness is appropriately managed by right people and makes organizational goals subservient to competency development. Action oriented through appropriateness of actions driven by circumstance, enabling learning to be documented, creates knowledge sharing atmosphere, drives decisions through consensus and takes meaningful time to accomplish tasks. Demonstrates through individualized working, avoiding teams and consequent inefficiencies meets deadlines under all circumstance and seeks the best. Action oriented to make people believe in the overall good establishes concreteness to tasks to be accomplished and to enable easy and smooth management of the organization, streamlines administrative processes, establishes a strong back office operations organization and manages customer oriented roles

through follow procedure route. Action oriented to demonstrate merit and results supercedes all other performance factors, does not believe in means as an important consideration while acting upon information and manages rewards as a necessary evil in people management processes. Action oriented to provide criteria for success and failures and ensures it is adequately communicated and holds accountability on streamlined systemic norm and through individualized working, avoiding teams and consequent inefficiencies, meets deadlines under all circumstance and seeks the best. How does the organization make use of a person's experience and ideas? If the organization had to stop doing some of the things it now does, what would not be changed? Which outside groups does the organization pay attention to? Why? How? What must the organization do particularly well in order to succeed? How does one go about selling a new idea in this organization? Who are the key individuals and groups one has to persuade?

#### **5. What is the Leader's long-term orientation?**

Long Term strategy to delivering value through people development individualized tasks, creating an environment that is self-exhilarating. Long Term vision to build an organizational that can culturally sustain itself to renew, learn, contribute in varying life cycles and has adequate organizational energy to grow with momentum. Long Term priority to retain competitive advantage by providing profitability through consistent intervals and prefers revenue to growth. Long Term desire to make lasting organizations that can stream through economic and business life cycles and does not have the pressure to retain performance under all circumstance. Long Term responsibility to build organizational wealth, individual intellect, collective wisdom, sustainable business model and overall organizational effectiveness parameters. Long Term authority to make organizational working built on strong fundamentals of bureaucracy, frameworks and management styles. Prefers streamlined processes rather than the opportunity to reinvent the wheel to resolve conflicts. Long term ambition to create a self-propelling

organization that has internal renewal capability to prod organizational performance, individual effectiveness and shareholder satisfaction. Long Term approach to make people processes subservient to technological processes and works towards eliminating elaborate actions that involve meetings, group work, communication forums and large-scale explanation to actions.

Long Term drive to retain competitive advantage by providing profitability through consistent intervals and prefers revenue to growth. Some additional critical issues covered would be, What are the important strategies and tactics for getting things done in the organization? What are the most important tacit assumptions that members of the organization share about work, human nature, and human relationships? What does the organization stand for? What is its motto? What does it take to be highly successful in this organization? What kind of person is most respected? What is considered heroic? What is considered serious punishment in this organization? What kinds of mistakes are not forgiven? What company folklore, rituals, symbols, and ceremonies best reveal the essential character of the organization? Can we make believe this organization is a person: How would we describe this person? What are the main rules that everyone has to follow in this organization in the long run?

**The Researcher proposes to elicit specific Leadership Styles from the research to demonstrate connecting Leadership to Culture and Organization and Management Models.**

## **Section 4**

### **Organization and Management Model**

In this section the Researcher introduces Organization Management Models as an important consideration to study cultures. The chapter provides an understanding on varying types of organizations through 2 sets of models (4 each) and how do these models impact culture. This is an attempt by the Researcher to connect Organization Type, Culture and Leadership to make the analysis and findings comprehensive and meaningful.

Over the last few decades, organizations have been rocked by a series of economic shocks as has been experienced in the developed economies Stewart, (1993) and crisis Iacocca, (1986). The opportunity for academics and researchers was to focus on organizations, culture, leadership and performance. Reed and Hughes, (1993) and then led to some open analysis of cultures and they evolved and directed organizations. Deal and Kennedy (1982) People, keeping in mind pursuit of some specific purposes create organizations. Organizations have a formal structure to achieve their objectives. They have formally identified roles, tasks, goals and responsibilities. Khandwalla, (1992) besides the employ and not employ, make or buy, sell or invest types of decisions organizations have to develop strategies, make decisions for acquiring and deploying resources. Yuchtman and Seashore, (1967). The search for new management paradigms is not a recent phenomenon. Over a sustained period of time, many management writers and thinkers have continuously strive for better methods of working to achieve time, cost and quality objectives of an organization. Seymour and Low, (1990). This search led to promising results at the general management level where a proliferation of new management concepts for business is now apparent. Among others, the more promising concepts or buzzwords include business process re-engineering (BPR), benchmarking, project partnering and total quality management

(TQM) (Stephenson, 1996; Ahuja et al., 1994; Low, 1992). Collectively, all these have served to contribute to new thinking or re-examine existing management concepts to rationalize how organisations may be managed more effectively

To enable building the organizational model it is necessary to delve a little into the make up of the human mind, the evolutions, mental make up that form the learning and personality disposition and the consequent need for structures and organizations. Wilber (1993; 1996) proposes that conscious awareness is evolving in human mind and provides an articulate argument through exposing the learning from the study of remnant trail of clues of over tens of thousands of years. He offers a framework for conceptualizing this development of awareness that starts at the Paleolithic age, where the individual has not differentiated them from the environment – a pre personal stage. And moving on to personal when they can differentiate from environment (contemporary human mind) and finally to the transpersonal where self is a part of the seamless universe. To our thesis there is learning and relevance to Wilber's analogy as to follow this transition of the development to that of the organization, culture and leadership as leaders in various stages of their understanding of themselves and their environments they transit through the various stages. From an organizational analysis point of view we could classify the scientific management and Taylorian days as being Pre personal, human relations and individual consciousness as being personal and the self actualization and the intellectual and learning organizations as being transpersonal. At each of these stages leaders play one of the said roles in the context of their organizations. Mahoney (1991, p. 425) states: "We are literally, more attuned to and engaged with our inner selves than to our external worlds." Recent evidence from western scientific disciplines indicates that the world is seamless. So are the organizations, its cultures and leaders.

A developed organization can be conceptualized as an evolving goal without an end in itself and that the goal is to know and be aware of reality as they relate to their performing and competitive environment. This argument combined together with organizational theory research can be safely argued that cultural management of organizations necessitates a new paradigm, if not a discerning discontinuity, to research into factors that influences and invokes these changes. There has been considerable work done in varying degree by Burnes, (1992) and Mink, (1992), Rosabeth Moss Kanter, (1989), Gerloff, (1985), Robbins, (1990), Schein, (1985) to demonstrate case examples of changing cultures in specific organizations. However there is loss of material in regard to identified organizational models in which specific cultures operate as they have been influenced by leadership and therefore demonstrates a case for a focused study. Yet every organization is a culture. A community who live in close proximity, share resources, interact actively and depend substantially on one another for their co existence and results. In this process of living together a culture tends to develop of shared beliefs, norms, values, practices, rituals that bind this community together. Deviations from these are often permitted but within acceptable limits. Kroeber and Kluckhohn, (1952)

Organizations are the dominant form of institutions in our society. Robbins, (1990) They are also distinct entities in our environment. We need organizations for collective and individual success; yet organizations operate through their structure, processes, goals, and norms to limit individual initiative. Gerloff, (1985). Organizations have been conceptualized in numerous ways. The following represent some of the more frequently used descriptions:

1.                Rational Entities in Pursuit of Goals. Organizations exist to achieve goals, and the behavior of organizational members can be explained as the rational pursuit of those goals.



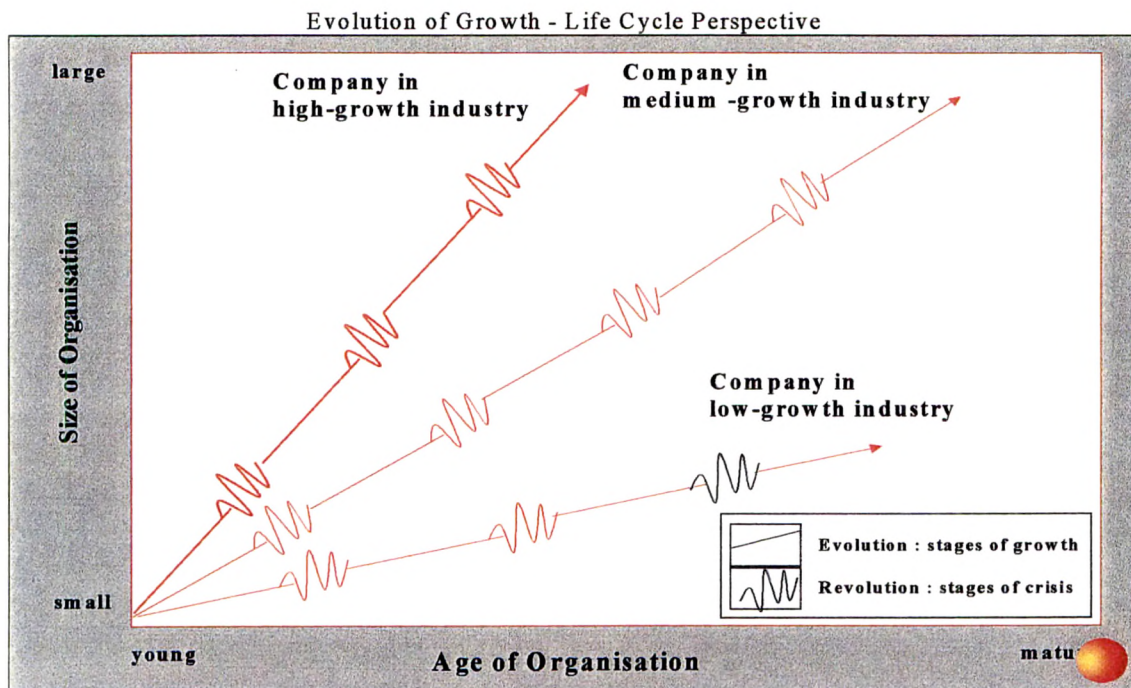
2. Coalitions of Powerful Consequences. Organizations are made up of groups, each of which seeks to satisfy its own self-interest. These groups use their self-power to influence the distribution of resources within the organization.
3. Open System. Organizations are input – output transformation systems that depend on their environment for survival.
4. Meaning – Producing Systems. Organizations are artificially created entities. Their goals and purposes are symbolically created and maintained by the management.
5. Loosely Coupled Systems. Organizations are made up of relatively independent units that can pursue dissimilar or even conflicting goals.
6. Political Systems. Organizations are composed of internal constituencies that seek control over the decision process in order to enhance their position.
7. Instruments of Domination. Organizations place members into job boxes that constrain what they can do and individuals with whom they can interact. Additionally they are given a boss who has authority over them.
8. Information Processing Units. Organizations interpret their environment, coordinate activities, and facilitate decision making by processing information horizontally and vertically through a structural hierarchy.
9. Psychic Prisons. Organizations constrain members by constructing job descriptions, departments, divisions, and standards of acceptable and unacceptable behaviors. When accepted by members, they become artificial barriers that limit choices.
10. Social Contracts. Organizations are composed of sets of unwritten agreements whereby members perform certain behaviors in return for compensation.

## **System Perspective of Organizations**

The organization is a socio – technical system. Every organization has a particular pattern of tasks, technical, human and structural factor. The tasks of the organization refer to goals, targets and sub tasks. The technical component of the organization includes production , information and other technologies. Maintaining a dynamic equilibrium with the external environment and regarding organization as a open system in continual interaction with a changing environment, is very essential. Daftuar, 2000. There is wide spread agreement amongst organizational theorists that a systems perspective offers important insights into the workings of an organization. Ashmos and Huber, (1987). Differentiation and integration brings the forces of systems that oppose each other together. Systems are classified into fundamentally tow alternatives being open and closed. Closed systems thinking revolve around the physical, its correlates and attributes and view the system as all pervasive and self-contained. Closed system is into a self-loop, draws its energy from its own momentum and does not interact or acknowledge the presence of an environment. To this fallacy does a closed system suffer? We contrast open system recognizes the dynamic interaction of the system with its environment. Essential characteristics of an Open System are:

1. Environment Awareness – Changes in the environment impact the system.
2. Feedback – Receive information, adjusts, allows and follows a corrective path.
3. Cyclical Character – Follows events, receives new inputs and repeats the cycle.
4. Negative Entropy – Demonstrates propensity of the system to run down or disintegrate while in a state of entropy in a closed system but would mean just the opposite in an open system.

5.                Steady State – Power of the input energy received to retain dynamic position results in a steady state of information and consequent processing.
6.                Movement toward Growth and Expansion – Moving from steady state and into growth and expansion as it retains anti entropy situation. Cycles and sub system is a typical reaction.
7.                Balance of Maintenance and Adaptive Activities – Maintenance and adaptive actions ensure sub system balance and ability to adjust to variations.
8.                Equifinality – that the system can reach the same final state by differing initial conditions and by a variety of paths.

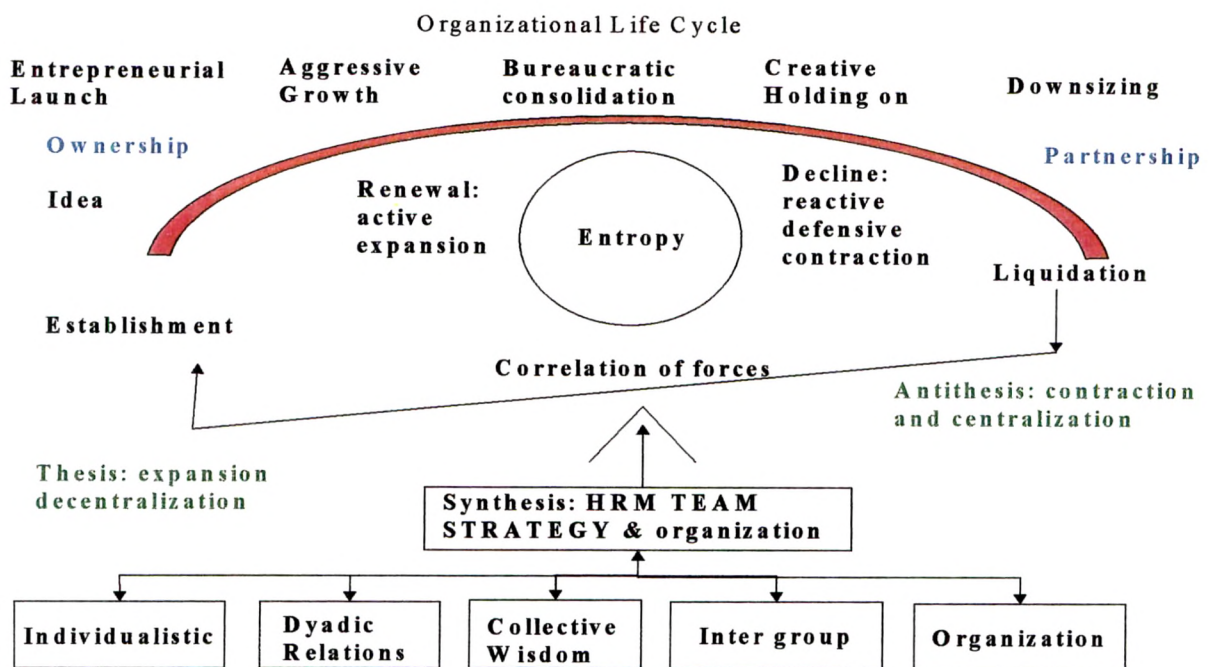


**Figure: 11 Evolution of Growth – Life Cycle Perspective ( Greiner 1998)**

### **The Life Cycle Perspective**

A life cycle refers to a pattern of predictable change. Life cycle metaphor signifies that organizations go through varying stages of its life. The five-stage model (Cameron and Whetton, 1983) is:

1. Entrepreneurial Stage – Formative stage, impressionable, ambiguous beginnings, resource management priorities, no established culture or norms to start with, very open and loosely coupled systems.
2. Collectivity Stage - Continues from the last stage but with vision and mission clarified, informal communication and networking structures and members working hard to demonstrate achievement of goals with limited bottlenecks
3. Formalization and Control Stage - Stabilized, streamlined processes, including, roles, goals, tasks and structure, formalization of actions, conservative decision making postures and systemic solutions are sought
4. Elaboration of Structure Stage – Diversified portfolio of capabilities, complex managerial processes and decentralized decision processes
5. Decline Stage – Organizational inability to hold together its strengths, apparent confusion in enabling things to happen, resources short fall is evident and overall organizational state of flux.



**Figure: 12 Organizational Life Cycle – Shermon( 2001)**

Not all organizations pass through the five stages of the life cycle but the state of the cycle influences the organizational culture and leadership to act in ways that may not do otherwise.

### Developing a Framework for Defining Organizational Models

Through the century organizational scientists have worked on research spanning across societies, continents, environments and industries studying the nature and meaning to what makes organizations and its systems and people work. Robbins, 1990 and Richard Scott, 1978 have classified substantive amount of this research work and consequent findings that have become seminal work into 4 types.

**Type 1 theorists** in an closed system loop, with mechanical efficiencies, rational outlook, revolves around the period 1900 to 1930 and conceived of organizations as mechanistic devices to achieve goals and achieving efficiencies of the internal functions was of critical importance. Some of the contributors to this phase being:

1. Fredrick Winslow Taylor and Scientific Management (1911)  
replacing the rule of thumb method to determine each element of a worker's job and to enhance productivity, scientific selection and training, cooperation of management and labor and more equal division of responsibilities.
2. Henri Fayol and Principles of Organization (1916) revolved around fourteen principles and is widely used in today's management theories and practice to varying degree of success, being:

Division of Labor

Authority

Discipline

Unity of Command

Unity of Direction

Subordination of Individual Interests to the general Interests

Remuneration

Centralization

Scalar Chain

Order

Equity

Stability of tenure of Personnel

Initiative

Espirt de corps

3. Max Weber and Bureaucracy (1920) meant articulating an Ideal Type Organization devolved through a bureaucratic structure characterized by division of labor, a clear authority hierarchy, formal selection procedures, detailed rules and regulations and impersonal relationships.

4. Ralph Davis and Rational Planning (1928) as Type 1 theorist proposed that structure was the logical outcome to organization's objectives and believed in the primary objective of a business firm being economic service. That economic value can only be meaningfully added if members coordinate and effectively work with one another through linkage to job objectives, results and progresses towards flow of authority and relationships.

**Type 2 theorists** in a closed system loop and a social perspective, theorists recognize the social nature of organizations, the human relation's school and view organizations as being made up of both tasks and people. Type 2 theorist's human counter points to Type 1 machine view. (Robbins, 1990).

5. Elton Mayo and the Hawthorne Studies (1927) ushered in an era of human focus that would focus on work groups, employee attitudes, manager employee relationships and the fact that wages by itself was not an adequate factor in increasing productivity than were group pressures, acceptance and concomitant security

6. Chester Barnard and Cooperative Systems (1938) merged the learning from Phase 1 into cooperative systems composed of tasks and people that have to be maintained at equilibrium. Managers need to organize around the requirements of the tasks and needs of human resources.
7. Douglas McGregor and Theory X and Theory Y (1960) had two distinctive views of human beings – Positive and Negative and his Theory Y influenced Participative decision making, the creation of responsible, challenging jobs with authority and power, developing people relationships, enabling learning. While it also brought a forced option scenario that had to be eventually rejected as either or perspective did not fit in with organizational reality.
8. Warren Bennis and the Death of Bureaucracy (1966) meant anti perspectives that stated centralized decision making, impersonal submission to authority, and narrow division of labor was being replaced by decentralized and democratic structures organized around flexible groups. Influence based on authority was replaced by expertise including flexible adhocracies. Henry Mintzberg later took this up in his exposition on nature of managerial roles and organizational structures.

**Type 3 theorists** looked neither at mechanistic forces nor the humanistic actions that determined organizations but evolved a synthesis that blended both and articulated it as the contingency approach. It was based on a open systems model, rational in approach and driven by a perspective on environment and technology.



9. Herbert Simon and Principles Backlash (1947) disagreed with type 1 theorists as well as those of the type 2 propagators but could get around to making his point only in the 1960's. For Simon this meant redefining organizations as complex pattern of communication and relationships in a group of human beings. This pattern provides to each member of the group much of the information and many assumptions, goals and attitudes that enter into decision-making including stable and comprehensible expectations.
10. Katz and Kahn Environmental Perspective (1966) focused on the open systems and related environments to structure need to adapt to changing environments.
11. Joan Wood ward, Charles Perrow, James Thompson and Technology (1960) provided a framework to connect technological relevance to structures, technology in the context of information processed, automation on jobs, role overlap and other boundary spanning activities essentially covered in structures.
12. The Aston Group and Organization Size theory speaks of both large and small organizations having to follow established patterns to enable growth and that both flow through similar issues and consequences.

**Type 4 theorists** essentially in open systems in a social environment, focus on the political nature of the organizations and connect power and politics to organizational functioning.

13. March and Simon's Cognitive Limits to Rationality (1958) challenged the classical notion of rational or optimum decisions and that decisions are made out of alternatives, those that were good enough in a given situation. The theorists called

for a modified model in understanding organizations very different from the rational cooperative systems perspective.

14. Pfeffer's Organizations as Political Arena (1978) encompasses power coalitions, inherent conflict over goals and organization design decisions that favor self-interest of those in power. Control in organizations becomes an end in itself rather than a viable and practical set of means towards a more rational goals and result orientation. Knowledge of behavioral decision making has led to substantive research on the modern day organization of the 21<sup>st</sup> century.

In effect, Nystrom ET all (1976) spelled out how blends of interacting processes can keep organizations in dynamic equilibrium. Wildavsky (1972) proposed that self-evaluating organizations might employ dual management groups in order to secure dialectics, competing worldviews and action alternatives. All designers hope to effect organizations into becoming more challenging, productive and rational entities that are governed by pre determined goals, standards and membership norms.

Researchers hope to improve organizations – to make organizations more effective, people oriented, humane, warm, rational, more fun, more involved with their environments and social structures More profitable, generating wealth to its shareholders and all that it makes to run an world class organizations. Since they form the basic edifice of the commercial enterprise of the world at large even a small and meaningful improvement is a desirable outcome. And the evidence seems overwhelmingly in favor of this desire to change and move on. Today's organizational processes produce dysfunctional consequences March and Simon, 1958) although it is not as easy to measure them accurately. Stakeholders also complain of organizations. Organizations often emulate processes that are fashionable in other types of organizations in

name of best practices without realizing the complete value and applicability /relevance and consequently suffer from absence of desired or promised results (Anderson 1978). In effect our summarization of including organization study and winning organizations as an important element of this research stems from the following:

1. Organizations can be greatly improved arises from the investigation of Nystrom and Starbucks in their study of crisis organizations. (Nystrom 1982)
2. Hedberg (1976) and Nystrom (1976) started thinking of crisis ridden organizations as less abnormal and that organizations in stagnating environments are deviant and are protecting themselves from environments solely by forces outside themselves, in our context being culture and leadership.
3. Those organizations excel in environments that are as competitive as can be in varying situations (Peters and Waterman (1982).
4. And that there are organizations that defy gravity and convert long term mediocrity or worse into long term superiority. And that there are universal characteristics that cause an organization to go from good to great. (Collins 2001)
5. And that some organizations are indeed coordinated by output measures. (Mintzberg 1983)
6. That organizational competitive advantage is driven by focus on its core competence and need to imagine the future (Hamel and Prahalad 1994)
7. That key learning process in organizations is available, possible and can be implemented. (Senge 1990)
8. That there are differences in the ways rules emerge and are applied in work organizations are explored brilliantly in a sociological classic. (Gouldner 1964)
9. And that the work place is ever changing. (Charles Handy 1994)

10. That successful organizations have been built and built to last (Collins and Porras 1994)
11. Organizations do operate in a political system (Pfeffer 1981)
12. Organizations provide for itself scope to develop and change (French and Bell 1982)
13. That there are factors in the organizations that continue to deserve research (Pettinger 1996)

**And in improving organizations resolving, reckoning and understanding conflict is an essential element.**

### **Organization and Management's as a Conflict Prone Entities**

Just as we had studied the relevance of power, authority and responsibility in the section on leadership, the researcher has brought in the dimension of conflict as an inevitable reality of organization and management models. The relevance to cultures and their impact on leadership styles is perhaps quite warranted. Interpersonal relations in organisations are bound to create occasional conflicts or disagreement between people on substantive or emotional issues. Schermerhorn (1996) observes that managers spend a lot of time dealing with the following forms of conflicts within organisations:

*Substantive conflicts* – involve disagreement over such things as goals, the allocation of resources, distribution of rewards, policies and procedures and job assignments.

*Emotional conflicts* – result from feelings of anger, distrust, dislike, fear, and resentment as well as from personality clashes.

*Functional conflicts* – or constructive conflicts stimulate people towards greater work effort, cooperation and creativity

*Dysfunctional conflicts* – at very low or very high intensities, dysfunctional conflicts or destructive conflicts occur

**Excessive conflicts can be distracting and interfere with other more task-relevant activities. Too little conflict may allow for complacency and the loss of creative high-performance edge. In general, there are six situations where conflicts may arise. These six situations or causes are:**

*Role ambiguities* – where unclear job expectations and other task uncertainties increase the probability that some people will be working at cross-purpose, at least some of the time.

*Resource scarcities* – where having to share resources with others and/or compete directly for resource allocation makes a situation conflict prone, especially when resources are limited

*Task interdependencies* – conflicts often occur when individuals or groups must depend on what others do in order to perform well themselves.

*Competing objectives* – when objectives are poorly set or reward systems are poorly designed individuals and groups may come into conflict by working to one another's disadvantage.

*Structural differentiation* – where differences in organisation structures and in the characteristics of the people staffing them may foster conflicts because of incompatible approaches towards work.

*Unresolved prior conflicts* – unless a conflict is fully resolved, it may remain latent in the situation as a lingering basis for future conflicts to fester over the same or related matters.

In so far as conflict management style in regard to a leader is concerned, people respond to conflicts with different emphasis on co-operatives and assertiveness. Cooperatives are the desire to satisfy another party's needs and concern; assertiveness is the desire to satisfy one's own needs and concern. Conflict management style may involve the following behavior and their attendant characteristics:

*Avoidance* – being uncooperative and unassertive; downplaying disagreement, withdrawing from the situation, and/or staying neutral at all costs.

*Accommodation* – being co-operative but unassertive; letting others' wishes rule; smoothing or overlooking differences to maintain harmony.

*Competition* – being uncooperative but assertive; working against the wishes of the other party, engaging in win-lose competition, and/or forcing through the exercise of authority.

*Compromise* – being moderately co-operative and assertive; bargaining for “acceptable” solutions in which each party wins a bit and loses a bit.

*Collaboration* – being both co-operative and assertive; trying to satisfy everyone's concerns fully by working through differences; finding and solving problems so that everyone gains

Collaboration or problem solving which tries to reconcile underlying differences, is often the most effective conflict management style.

For the leader and for the organization, it is a form of win-win conflict where issues are resolved to the mutual benefit of all parties. But this is more easily said than done in organizational context. However this is typically achieved by confrontation of the issues and the willingness of those involved recognizing that something is wrong and needs attention. Eliminating the underlying causes of the conflict causes win-win conditions. All relevant issues are raised and discussed openly. Win-win methods are clearly the most preferred of the interpersonal styles of conflict management (Moorhead and Griffin, 1995; Robbins et al., 1994).

Organizations usually have some degree of flexibility about how they reduce personnel expenses. Decisions to inflict pain upon employees as part of the process may very well reflect an effort to "bust" the existing culture. Decisions to minimize pain may reflect an effort to reinforce the existing culture. Conflict prone practices whether they tend to reinforce (or leave alone) existing culture or to intentionally destabilize the culture is a researchable area.. For these purposes, methods which are less disruptive and/or give members more of a sense of control are labeled as reinforcing and those practices which are particularly likely to induce pain among members of the work force (particularly those who are asked to leave) are labeled as destabilizing:

The primary thrust of organizational level analysis, on conflict managed situations for leaders deals with rationalization, is to emphasize the need to plan, analyze and implement cultural impact on organizational models carefully and within the framework of organizational purpose (*e.g., Cascio, 1993; Greengard, 1993*). Cultural Impact on Organizations is framed within the context of improving and streamlining work processes, as exemplified by total quality management and reengineering (*e.g., Cameron, 1991*). Key assumptions include a mechanistic

notion of organizations, in which the parts are examined to improve fit with the whole. Organizational survival is seen as paramount (e.g., the first order of business is for organizations to thrive and be competitive). Key mental shifts involve development of a "customer first" attitude (stated as part of a total quality management approach) and a realignment of importance among stakeholders, with shareholders coming first (largely unstated).

In one of the key early works on rationalized organizations, Tomasko (1987) identifies corporate cultures based on mistrust as a leading cause of excessive staffing. American corporate cultures, he contends, rewards winners, not losers; places control at the top of the agenda; and causes people to believe that it are better to hide mistakes than admit them. In consequence, staff groups (such as planning departments) are formed to serve as watchdogs. Managers respond by attempting to gain control have ever more bloated corporate bureaucracies. Tomasko's solution is a flatter, leaner organization in which a team environment prevails and peoples trust each other to contribute to common goals.

Cameron et al (1991) conducted the most extensive single study of rationalized organizations to date in terms of number of organizations involved, breadth of investigation, and time span. The authors conducted a four-year longitudinal study of 30 organizations in the automotive industry. Their viewpoint was that restructuring is a necessary and affirmative approach to becoming more competitive, and an appropriate response to the disproportionate growth in the white-collar work force over recent decades. And conflicts are as much a reality in such situations. In effect the leader has to do what is right from a business stand point yet cope with and confront conflicts. The successful companies in their study did not only reduce the work force, but also engaged in organizational redesign and systematic efforts at quality improvement. Successful companies engaged in downsizing as a purposeful and proactive strategy. Interestingly, only a handful of companies in their study were found to have improved organizational performance.



Two studies of conflict provoking change at major U.S. corporations - Xerox (*Kearns and Nadler, 1992*) and General Electric (GE) (*Tichy and Sherman, 1994*) deal explicitly with culture change. Tichy and Sherman refer to a revolution at GE; part of that revolution, under Jack Welch, was to eliminate almost 170,000 positions. One of the basic assumptions at GE: "The ultimate test of leadership is enhancing the long-term value of the organization. For leaders of a publicly held corporation, this means long-term shareholder value" (*p.367*). GE turned against the notion of lifetime employment in favor of a stated goal of providing employees with the best training and development opportunities, but only conditional employment. Xerox also resorted to massive layoffs. Like GE, this rationalization was framed within the larger picture of adopting a total quality management culture. Kearns believed that the number one key to success was shifting focus outward to the customer.

The Kearns and Nadler and Tichy and Sherman lucidly address the process of conflict prone culture change management. They explicitly state what many will not: that part of the intentional aspect of restructuring in the midst of culture change is the infliction of pain on at least some to get the attention of all.

Tichy and Sherman talk of avoiding the "boiled frog phenomenon" (*p.400*) in which frogs boil to death while the water slowly changes from cold to boiling. Kearns and Nadler conclude (*p.280*): "You also have to create dissatisfaction with the status quo. Otherwise, why are people going to work hard to disrupt it? And you can not wait around until everyone feels induced pain from the marketplace, because then it's too late. So you need to have induced pain. You need to throw a few punches here and there".

There are some organizational level analyses that dissent from the litany of praise for rationalization and consequent conflict management consequences. Handy (1990) argues that an organization does not exist only for profits, that is, profits should be viewed as a means to other desired ends rather than as the sole end. His view is that shareholders have taken over too much of the power. They should, instead, be only one element of a hexagonal ring of stakeholders - which also includes employees, the environment, community, and suppliers. Petruno (1996) reflects the concern that institutional shareholder activists have gotten too greedy and imposed too large a price on the thousands upon thousands of employees who have lost their jobs; performance increases may be at the expense of hollowed out companies. Hamel and Prahalad (1994) do not question the legitimacy of cultural Impact through CEO perspectives on rationalizing, but argue that time spent on determining core competencies and relating those competencies to the external marketplace is time much better spent than restructuring and reengineering. The latter may shore up your current position, but does little to prepare you to compete in the future.

Downs (1995) offers an even harsher critique. Downs decries the prevalence and public acceptance of a "culture of narcissism", in which corporations have only one objective, profit. He contrasts the view of Hewlett-Packard's David Packard that the secret to successful management was to keep in balance the triangular interests of shareholders, management, and employees. Part of this narcissism is reflected in the increase of senior executive salaries by 1,000 percent between 1980 and 1995, the same period of time in which record layoffs were amassed. In a Newsweek cover story, Sloan (1996. 44) argues that "Firing people has gotten to be trendy in corporate America, in the same way that building new plants and being considered a good corporate citizen gave you bragging rights 25 years ago. Now you fire workers — especially white-collar workers — to make your corporate 'bones'".

To enable the researcher to identify organization and management models that would be of relevance to the research a literature survey was conducted to study the popular organization models articulated by writers. Henry Mintzberg (1989) and Pradip Khandwalla (1992) were amongst those on whom detailed studies were conducted and are mentioned below. Several other researchers and their work has been quoted albeit only at relevant intervals and not on an exhaustive basis.

### **Basic Types of Organizations (Mintzberg 1989)**

Analysis of types of organizations deserves a brief exposition to the work of Mintzberg including a classification of 7 types of organizations and their characteristics.

1.       **The Entrepreneurial Organization** is characterized strategically by often-visionary process, broadly deliberate but emergent and flexible in details. The leader positions malleable organization in protected niches and structures in a simple, informal, flexible with little staff or middle hierarchy and its activities revolve around the CEO who controls personally through direct supervision. The business operates in both simple and dynamic environments, provides scope for strong leadership, sometime charismatic or autocratic, is possible to be in either a start up, crisis or turn around with a context in small organizations and local producers. But the organization is vulnerable, restrictive and has the danger of imbalance towards strategy or operations
  
2.       **The Machine Organization** is characterized strategically ostensibly in planning process but in reality is strategic programming, resistance to strategic change, necessary to overlay innovative configuration for revitalization or else revert

to entrepreneurial configuration for turnaround. The context is simple and stable environment, usually in large and mature organizations, rationalized work, rationalizing but not automated technical system, with an external control and a closed system. Is common in mass production, mass service, government and businesses of control and safety. Structurally it is a centralized bureaucracy, formal procedures, specialized work, and sharp division of labor, usually functional groupings, and extensive hierarchy. The key is techno structure, charged with standardizing the work, but clearly separated from middle line with an extensive support staff to reduce uncertainty. It is an efficient reliable, precise and consistent organization but has an obsession with control leading to human problem in operating core, coordination problems in administrative center and adaptation problems at strategic apex.

- 3        **The Diversified Organization** is characterized by a strategy driven by headquarters managing corporate strategy as portfolio of business, division in turn manage individual business strategies. The context is market diversity, especially of products and services (as opposed to clients or regions) product related diversification encourages intermediate forms, conglomerate diversification being its purest form. It is typically found in large and mature organizations, especially business corporations but also increasingly government and other public spheres like multi universities. The structure of this organization is market based divisions loosely coupled together under central administrative HQ, with divisions that run businesses autonomously, implying more than limited decentralization to divisional managers, who are in turn subjected to performance control systems that standardize their outputs. There is a tendency to drive structures of divisions towards machine configuration as instruments of HQ though tendency of the organization tends to be a

closed system. The organizations resolves some problems of integrated functional machine structures spreading risk, moving capital adding and deleting businesses etc. however conglomerate diversification sometimes is costly and discouraging of innovation, improvements in functioning of capital markets and boards may make independent businesses more effective than divisions. Performance control risks tends to drive the organization towards socially irresponsible or unattached/dispassionate behavior.

4.       **The Professional Organization** is characterized by many strategies, largely fragmented but forces to obtain cohesion with strategies made from professional judgement and collective choice and some administrative fiat. The context is complex yet stable, simple technical system and often but not necessarily the service sector. Here the structure is bureaucratic yet decentralized, dependent on training to standardize skills of its, many operating professionals with its key to functioning is creation of system of pigeon holes within which individual professionals work autonomously subject to controls of the profession. There is minimal techno structure and middle line hierarchy meaning wide span of control over professional work, large support staff, more machine like to support the professionals. There are the advantages of democracy and autonomy but there are also problems of coordination between silos, of misuse of professional discretion, of reluctance to innovate, their public response to problems often machine like and dysfunctional and unionization exacerbates the problems and issues.

5.       **The Innovative Organization** is primarily driven by learning or grass root process, largely emergent, evolving through a variety of bottom up processes, shaped rather than directed by management and often has characteristic cycles of

convergence and divergence in strategic focus. The context of these organizations operate in a complex and dynamic environment, including high technology, frequent product change due to severe competition and with temporary and large scale projects. They are typically young due to bureaucratic pressure with aging, common in young industries and works out of two types, being, operating adhocracy for contract project work, administrative adhocracy for own project work, the latter often when operating core truncated or automated. The structures are fluid, organic, selectively decentralized and form adheres to adhocracy. There are functional experts deployed in multidisciplinary teams of staff, operators and managers carry out innovative projects, coordination by mutual movements, adjustments as appropriate, encouraged by liaison personnel, integrating managers and matrix structures. While the organization combines more democracy with less bureaucracy and effective at innovation so very essential for competitive advantage, this effectiveness is achieved at the cost of efficiency with human problems of ambiguity and dangers of inappropriate transition to another configuration.

- 6        **Ideology (Culture) and Missionary Organization** has a rich system of values and beliefs that distinguishes it and is rooted in sense of mission associated with charismatic leadership, developed through traditions and sagas and then reinforced through identifications. This organization can be overlaid on conventional configuration, most commonly entrepreneurial, followed by innovative, professional and then machine organizations. Well sometime so strong that evokes it own configuration. These are clear, focused inspiring a distinctive mission, with coordination through standardization of norms (pulling together) reinforced by selection, socialization and indoctrination of members. They could small units, enclaves, loosely organized and highly decentralized but with powerful normative

controls, a reformer, converter and cloister forms with threats of isolation on one side and adaptive assimilation on the other.

7. **The Political Organization** drives through means of power technically illegitimate, often in self-interest, resulting in conflict that pulls individuals or units apart. It expresses itself in political games, some consistent with, some antagonistic to, some that substitute for legitimate systems of power. It is usually overlaid on conventional organization, but some time strong enough to create own configuration through conventional notions of concentrated coordination and influences absent, replaced by the play of informal power. Its dimensions of conflict being moderate, intense, confined and pervasive, as well as enduring and brief. They combine into four forms, confrontation, shaky alliance, politicized organization, and complete political arena. They can trace development of forms through life cycle of impetus, development, resolution of the conflict. Politics and political organization serve a series of functional roles in organizations, especially to help bring about necessary change blocked by legitimate systems of influence.

### **Patterns of neurotic organizational types that have been known to fail**

#### **1. Dramatic Organisation.**

Dramatic Organizations are characterized by Impulsiveness. Over ambitious, dominating and power hoarding CEO's leads it. Their Personal styles influence organizational functioning. They have a large temptation to diversify into unrelated markets and products. Eventually the organisation is merely an extension of the CEO's personality. This organization is typical of simple, functional structures with

lines of authority extending directly to the CEO. Many organizational members are happy doing what the CEO desires, conform to acceptable ways of working. The strategic planning process is dependent on gut and how the CEO feels towards a business at a point in time. The organization is definitely not data or information driven

## **2. Suspicious Organisation**

Suspicious organizations are wary of their environment. They are always alert and ready to fight in any situation that the business may demand. They like to call themselves as fighting fit to face any situation. The companies are heavily into detail. They create elaborate mechanisms to collect and analyze data, information and facts that make the organization work. At the psychological level they work on low level of trust and delegation. Information as an instrument of power is perceived as a part of the organizational culture.

## **3. Compulsive Organisation**

Effectively compulsive organizations are stagnant bureaucracies. Reliant on narrow, archaic strategy their role envisages primarily managing in a steady state. Dogmatic adherence to traditions and norms, Rigid and formal rules and procedures make their work life an every day affair. Above all they develop elaborate information system to manage and retain control of all the activities. The decision making style is highly centralized. And they are quite trapped in their glorious past.

## **4. Depressive Organisation**



Depressive organizations are worn-out, purposeless enterprises with no sense of mission or direction that is palpable within the company. They drift and appear to almost run-by themselves. People demonstrate behavior that are listless, apathetic, a passive stance and a gross lack of initiative. Many suffer from “decidophobia” - fear of deciding or committing to any goals. There is a heavy reliance on outside “messiahs” or consultants for solving their internal every day problems. Poor internal communication and lack of adaptation to reality with time are some of its additional characteristics

## **5. Detached Organisation**

Detached organizations are basically “Headless” - leadership at the top. Schizoid Chief Executive who does not have a particular frame of reference in managing the enterprise normally leads it. Their view of the world rarely seeks to offer meaning or purpose to their role and activity. It is rudderless - no unifying or directional effort and the culture is rampant with power struggle, politicking abound and the work life can sometimes be quite miserable for high performers.

**Here the researcher has provided a detailed write up of the various organization and management models researched by Khandwalla (1992) and his summary view of modes of Management as a symbolic representation to Organizational Models is presented below:**

### **1. Conservative mode**

Definition: The policies and practices that preserve the organization's basic character and history strengths constitute the conservative mode of management.

Ideology: "A bird in hand is worth two in the bush" philosophy pays in the king run.

Policy framework: Cautious problem solving and decision making; aversion to radical options; tendency to choose compromise solutions; importance of traditions and precedents; primary of stability, growth along familiar lines (sticking to the knitting); aversion to pioneering; tendency to wait, watch, and learn from others' experiences before venturing into new activities.

Appropriateness: Not appropriate in turbulent environments with short reaction times. Appropriate in domains with slow or moderate rates of change.

Degenerate form: Extreme risk aversion or sticking to the familiar and the traditional, negativism.

Practices for institutionalizing a healthy mode: Environmental monitoring; use of professional for identifying needed changes and innovations; constructive conservatism ("change with the times"); a policy of growth compatible with the organization's core values.

## **2. Entrepreneurial mode**

Definition: Policies and practices aiming at rapid growth of the organization's activities through bold, risky ventures constitute the entrepreneurial mode.

Ideology: No risk no gain.

Policy framework: Pioneering, pursuit of grandeur; charismatic individual at the top; opportunistic growth; taking of calculated risks

Appropriateness. Domains undergoing rapid growth or turbulence.

Degenerate form      Recklessness, Poor implementation of ambitious projects, neglect of management systems; no capable second line of management, neglect of current activities by top management

Practices for institutionalizing a healthy mode      Communication to stakeholders of the vision of growth; extensive decentralization of routine matters. Dynamic managers at the helm, competent professionals at senior and middle levels; global scanning for fresh growth opportunities. Pioneering into new fields and withdrawing from overcrowded fields; development of a network of contacts; search for partnerships/joint ventures; intrapreneurship.

### **3. Professional mode**

Definition: The use of professionally qualified experts, a scientific and comprehensive approach, and the use of norms, tools and techniques of

management science in decision making constitute the professional mode of management.

Ideology: Management is, or can be turned into, a science for optimal results.

Policy framework: Systematic search for growth opportunities formal forecasts; systematic cost-benefit analysis for all decisions; comprehensive strategies for growth, meeting competition, etc.; long range planning; sophisticated performance monitoring; use of sophisticated tools of decision making use of expertise in decision making.

Appropriateness:       Complex domains and moderate uncertainty

Degenerate form Over staffing of specialist and experts; inter-departmental, line-staff conflicts due to tunnel vision of specialists; unrealistic advice by staff to top managers; excessive emphasis on qualifications at the cost of native managerial ability; analysis paralysis.

Practices for institutionalizing a healthy mode: Participatory decision-making; job rotation of specialists; sensitivity analysis; comprehensive review of past decisions.

#### **4. Bureaucratic mode**

**Definition:** Decision making strongly influenced by the values of propriety, standardization, specialization and clear accountability in decision making constitutes the bureaucratic mode of management.

**Ideology:** Efficiency, propriety, and equity results from properly programming and standardizing activities and fixing clear responsibilities.

**Policy framework:** Considerable division of labor, specialization, standardization, written specification of tasks of managers, their powers, and responsibilities, and the procedures they are to follow. All significant exceptions, or matters not spelt out, have to be referred to higher authorities. Centralization of policy making, tight control. Emphasis on propriety

**Appropriateness:** Relatively stable domain; public interest or publicly funded activities. Inappropriate for tasks requiring frequent changes and adaptations.

**Degenerate form:** High mistrust leads to layer upon layer of control that saps initiative and breeds alienation. Displacement of goals and emergence of excessively procedural orientation. The emergence of a rigid, unresponsive system, Deep inter-departmental conflicts gross delays in decision making.

**Practices for institutionalizing a healthy mode:** Delegation of routine matters; lateral, committee based coordination; motivation through job enrichment, Participative decision making, job rotation; committee decision making for risky decision; periodic review of rules and procedures for current relevance; highlighting of the purpose and mission of the organization; periodic feedback

from clients, and its dissemination to rank-and-file; task forces for innovations and changes; periodic infusion of fresh blood at senior and top levels; papers and files should go directly to the level which takes the decision

## **5. Organic mode**

Definition: The policies and practices that enable the organization to respond quickly and flexibly to changing organizational tasks in uncertain situations in the organic mode of management.

Ideology: Organizational flexibility is indispensable for getting results in a situation of flux

Policy framework: Open channels and free flow of communications and information throughout the organization; creation of widespread awareness of organizational purpose, goals, performance, problems, etc. in the rank-and-file. Freedom to managers to choose an operating style that they find suitable and that gets their jobs done; importance of the expert in a given situation for making decisions Greater emphasis on getting tasks accomplished than on following prescribed procedures; loose, informal, peer groups' control rather than tight budgetary, formal control. Organization's willingness to adapt freely to changing circumstances regardless of rules, regulations. Precedents, or past practices; control and coordination by interaction, sharing of information, and mutual performance feedback.

Appropriateness: Turbulent environments; young organizations; during implementation of new, unfamiliar projects; organizations producing goods or services to specifications of clients; while executing major changes or innovations; in pioneering and innovative organizations.

Degenerate form: Allergy to any kind of standardization or control; willful breaking of all rules; total confusion about roles and functions; aversion to filing or storing information.

Practices for institutionalizing a healthy mode: Use of peer group pressure and emphasis on evolving shared norms; emphasis on making the organizational purpose, goals etc. known to everyone; use of budgets and other formal means of control only as a second line of defence. Encouragement of not just vertical but also lateral communication, and widespread dissemination of important operating information. The inculcation of the view that management principles, policies, precedents, strategies are means to an end, not ends in themselves, are right only in certain circumstances – they can be dumped or changed if the circumstances change.

## **6. Authoritarian mode**

Definition: Those policies and practices that facilitate the intensive use of hierarchical power for making decisions and seeking compliance of the rank-and-file to these decisions constitute the authoritarian mode of management.

**Ideology:** Ultimately, power used wisely is the fastest way of resolving conflicts and getting decisions implemented.

**Policy framework.** High level of centralization of decision-making authority; severe punishment for disobedience; emphasis on disciplined pursuit of a cause or a goal; ensuring legitimacy for those with power.

**Appropriateness:** Decision making during crises; situations of chaos or gross indiscipline, as during organizational sickness.

**Degenerate form:** Rule through brutality and terror; arbitrary, whimsical use of power.

**Practices for institutionalizing a healthy mode:** The institution of grievance procedures and rights of appeal; strong emphasis on disciplined functioning by the subordinates as well as the sense of responsibility of the bosses; a paternal relationship between the bosses and the subordinates; the indoctrination of the staff in a mission or vision of excellence; emphasis on upholding fine traditions.

## **7. Participatory mode**

**Definition:** Those policies and practices that facilitate the reaching of consensus decisions by groups consisting of superiors, colleagues and subordinates

**Ideology:** Participation improves group performance by improving the quality of decisions, and by increasing the commitment to decisions collectively reached.



Policy framework: Consensus oriented team decision making at various levels of management including top management, power equalization, or at least reduction in power asymmetry as between superiors and their subordinates. Insistence that at meetings, deviants are not only permitted to speak up but encouraged to speak up and heard with interest and respect; emphasis on creating a climate of trust and collaboration.

Appropriateness: In complex environments in which decisions have multiple angles; in situations where collective motivation and commitment are important for implementing decisions; in organizations of equals. Such as cooperative societies, organizations of professionals, etc

Degenerate form: Decisions delayed through too many committees; excessive politicization within a democratic framework.

Practices for institutionalizing a healthy mode: Use of experts and professionals during group problem solving and decision making; training to leaders for evolving consensus after free and frank discussion; at least a rudimentary democratic structure, such as a works council

## **8. Intuitive mode**

Definition: A mode that stresses common sense, experience, intuitive judgement and shrewdness over formal analysis and resort to experts in making decisions is the intuitive mode of management

Ideology: Good intuitive judgements lead to far better and faster decisions than those based on formal analysis by experts

Policy framework: Emphasis on hiring or promoting managers who are quick learners and have relevant work experience; emphasis on apprenticeship and learning through hard knocks rather than formal managerial training; emphasis on evolving sound thumb rules for making decisions; use of wise rather than expert counselors.

Appropriateness: In domains which are quick changing but not necessarily very complex, such as in intensely competitive but unsophisticated industries or political arenas or young but unsophisticated industries or industries during their decline stages.

Degenerate form: Excessively bounded rationality of decision-makers that predisposes them to make errors; pathological aversion to any expert or expertise, excessively whimsical or ad hoc decisions, based on shallow diagnoses.

Practices for institutionalizing a healthy mode: Extensive contacting before making decisions; use of experts etc. as a second line of defence; testing managers for judgement and learning ability; management by moving around.

## **9. Familial mode**

Definition: A mode that emphasizes control by closely related persons at the top and family type relations at work are the familial mode of management.

Ideology: Organizational cohesion is best achieved by treating the staff like family members and it is this cohesion that takes the organization through good as well as bad times and yields excellence in the long run.

Policy framework: All sensitive managerial posts are manned by persons trusted by the bosses, such as relatives, friends, members of their community; recruiting persons for managerial duties when young and carefully grooming the promising and trustworthy ones for managerial positions. A nurturing attitude towards employees, and standing by them in their hour of need; employee-oriented supervision; rewards or loyalty.

Appropriateness: More useful in collectivist than in individualistic cultures; usable where relatively homogeneous people can operate an organization; a large competence differential between superiors and subordinates; smaller organizations.

Degenerate form: Excessive nepotism that drives or keeps away bright individuals; feuds in the ruling family or group, sycophancy, siphoning or misuse of organizational resources for personal gain by members of the ruling group.

Practices for institutionalizing a healthy mode: Manning of important positions in the organization by relatives or other persons trusted by the bosses who are also professionals. Careful grooming of young recruits for later managerial

responsibilities; parental treatment of employees; inculcating of family feeling in staff through cultural functions, etc.; stress on traditional social virtues.

#### **10. Altruistic mode**

**Definition:** Policies and practices that enshrine noble values, trusteeship for the benefit of stakeholders, and some sort of social contribution constitute the altruistic mode of management.

**Ideology:** A management that evokes the best instincts of its staff members can conquer all hurdles and be a beacon to others.

**Policy framework:** Commitment to values and ideals, primacy of pure means; concern for all the stakeholders; commitment to a mission; humane management.

**Appropriateness:** More in not-for-profit than in commercial organizations; also in organizations of professionals, in missionary organizations more in monopolistic than in highly competitive sectors.

**Degenerate form:** Business as charity rather than business as a source of charity; altruism as an image building gimmick; public posturing at the expense of pressing internal issues.

**Practices for institutionalizing a healthy mode:** Management by committed professionals rather than by amateur do gooders. Prioritization of areas of, and extent of, altruism; cross-subsidization of altruistic activities by 'cash cows'.

External communication of the values the organization stands for and example setting practice of these values; refraining from paying exploitatively low remuneration to staff in the

**Consequently Organisation politics has been dealt with, again connecting with power, authority, responsibility, and conflicts, all with a relevance to the leadership style implication in a cultural and organizational context.**

A concept, which is closely related to power and authority in organizational settings, is politics or political behavior. Politics are often viewed as synonymous with dirty tricks or back stabbing and as something distasteful, should best be left to others. However, political behavior in organisations, like power, is pervasive.

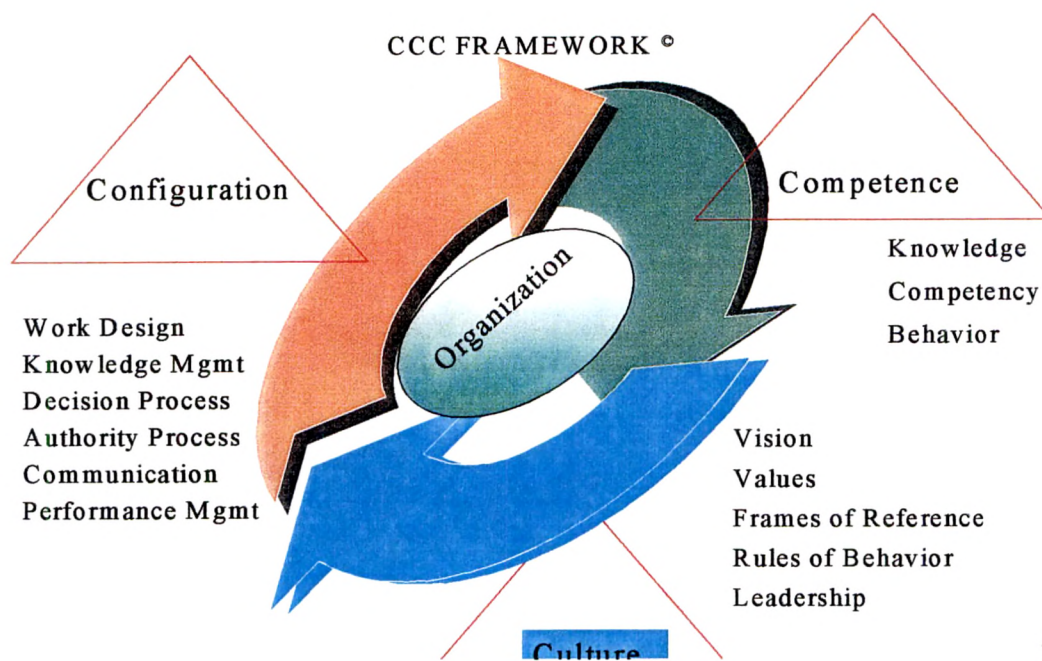
Pfeffer (1992) defines organisation politics as activities people perform to acquire, enhance and use power and other resources to obtain their preferred outcomes in a situation where uncertainty or disagreement exists. Political behavior is therefore the general means by which people attempt to obtain and use power. In essence, the goal of such behavior is to get one's own way about things. In reality, organisations are made up of individuals and groups with different values, goals and interests. This make-up sets the scene for potential conflicts over resources. Perhaps the most important factor leading to politics within organisations is the realization that most of the "facts" that are used to allocate limited resources are open to interpretation. It is in this large and ambiguous middle ground of organizational life – where the facts do not speak for themselves – which politics flourish. As most decisions have to be made in a climate of ambiguity, where facts are rarely fully objective and thus are open to interpretation, people within organisations will use whatever influence they

can to taint the facts to support their goals and interest, thus creating the activities called “politicking” (Pfeffer, 1981).

## THE CCC FRAMEWORK<sup>®</sup> FOR ORGANIZATION MODELING<sup>®</sup>

CCC Framework<sup>®</sup> is the model with which [www.hrfolks.com](http://www.hrfolks.com)<sup>1</sup> works with its clients. The framework provides both the client and the consultant a conceptual model of defining organizations in the context of structure, competence, and culture. Organizations are created to achieve a set of objectives. Based on environmental imperatives and internal capabilities, these objectives are modified over time. In the process of achieving their objectives, organizations orient their structures, business processes and "a way of doing things" that lends a unique organizational personality. We view this orientation on three dimensions and based on the three dimensions, we have defined various organizational models.

While the model does not straightjacket our appreciation of business processes and the internalized strategy, it does provide a definitive frame of reference and a platform for an



appropriate organizational intervention.

**Figure 14: CCC Framework. Akaygees( 2000)**

Essentially the model provides for enabling appropriate linkages between culture, configuration and competence. It purports to define culture with vision, values, rules of behavior, leadership and frames of reference. And evaluates configuration in the context of work design, managing knowledge, creating decision processes, builds authority processes, communication and performance management. In the competence area the model covers knowledge, competency and behavior. The organization and management model as seen in CCC ® attempts the following:

1. Measures business configuration effectiveness in a three dimensional manner with competence and culture in the two axis.
2. Defines culture in the context of thick and thin cultures or strong and weak cultures as has been defined earlier in the chapter on cultures. Ensures organizational evaluation is in the context of competency, behavior displayed and knowledge and intellect as demonstrated by members in an organizational setting.

**Dimension 1: Configuration**

Organizational Configuration covers Work Design and Organization Structure, Organizational Knowledge Management Process, the Decision-Making Process, Authority Process, Performance Management Process & Systems and Organizational Communication Systems. In our assessment, while the practice or type of each of these processes would differ, it may also be observed that the extent of Configuration in organizations would differ. Based on the intensity of

occurrence of each of these processes, the system facilitates mapping an organization on a continuum of Tight to Loose Configuration. Tight configuration implies limited mobility, flexibility to facilitate pace of change. In contrast loose configuration provides for greater versatility to the configuration, ability to make and impact changes yet sometime could be loose enough to lack control.

### **Dimension 2: Competencies**

When it speaks of competencies, it covers Knowledge, Skills and Behavior in the organizational roles. While every organization would seek its employees and associates of the highest level of competencies, the business process or the configuration may steer the level of competency requirements. The systemic analysis process maps the organization on a spectrum of highest level of Competency Focus to a level of Competency Defocus. Focused competency at both individual and organization level provides competitive advantage and defocused competency makes organizational goals and members flit from one situation to another without concrete closure of issues or decisions. Competency sharpness and focus is essential for organizational competitiveness.

### **Dimension 3: Context Culture**

Culture in an organization is defined by observation. The visible attributes that form the culture are Vision, Values, Symbols, Rituals, Frames Of Reference, and Rules of Behavior. While all these attributes may not be formally defined, organization cultures may have a strong character based on various practices



while some cultures would yet be in an evolutionary state. Thick cultures are largely visible, reasonably clear to understand and appreciate its presence and would be understood and practiced by members. Thin cultures are relatively weak, at its formative stage and may need greater clarity and communication to enable members and processes to understand or follow.

Based on the measurement of these dimensions, organizations are mapped into the following eight types:

<b>ORGANIZATION</b>	<b>CONFIGURATION</b>	<b>COMPETENCIES</b>	<b>CULTURE</b>
<b>Competing Organization</b>	<b>Tight</b>	<b>Focussed</b>	<b>Thick</b>
<b>Learning Organization</b>	<b>Loose</b>	<b>Focussed</b>	<b>Thick</b>
<b>Human Organization</b>	<b>Loose</b>	<b>De-focussed</b>	<b>Thick</b>
<b>Institution</b>	<b>Tight</b>	<b>De-focussed</b>	<b>Thick</b>
<b>Performing Organization</b>	<b>Tight</b>	<b>Focussed</b>	<b>Thin</b>
<b>Intellectual Organization</b>	<b>Loose</b>	<b>Focussed</b>	<b>Thin</b>
<b>Voluntary Organization</b>	<b>Loose</b>	<b>De-focussed</b>	<b>Thin</b>
<b>Mechanistic Organization</b>	<b>Tight</b>	<b>De-focussed</b>	<b>Thin</b>

**Figure: 15: CCC Framework – Analysis Akaygees (2000)**

#### **Diagnosis & Interventions**

While there is no single "Best Organization Model", based on the objective to be achieved, there is one "Best CCC Model" that an organization should strive to be. CCC diagnosis

methodology helps map the current position of the organization and examine the appropriateness of the organizations' status on the three dimensions.

The model envisages usage of information, data and knowledge characteristics of the corporation in reaching a well-debated classification of the current and desired organizational fit.

Effectively to enable connecting Organizations meaningfully and to help construct Scenario based case analysis on Culture and leadership the Researcher has attempted to define organizations as they demonstrate their values, perspectives and characteristics in the context of culture and leadership. This has been based on comparative analysis of organizational modeling that connects the three factors, namely – Organizations, Culture and Leadership.

### **Organization and Management Models as Proposed by the Researcher**

The researcher has identified 8 different types of organization and management models and has attempted to provide an appropriate definition of each of the models. The researcher has also done a concurrent literature study on each of these proposed models to evaluate and learn from the work of others on its applicability to this research. The purpose is to eventually identify unique organization and management models that can relate to the cultural and leadership learning that is proposed to be connected as a part of this research work.

**The 8 sets of Organization and Management Models (Miller and Friesen 1984) proposed by the researcher and relevant to this research to connect leadership and culture and their definitions are mentioned below:**

**1. Competing Organization** –For the Researcher Competitive organizations operate best in volatile and conflict prone environments where survival is driven by superior and competitive performance amongst rival organizations. Competitive organizations chose to be so through their internal positioning and stated objectives and are therefore a desired or planned outcome. Organizations do not become competitive unless they have by choice determined to do so. Competitive organizations nurture cultures that are target and goal conscious, decisive, clear understanding of their strengths, deep appreciation of factors that will enable them to peak performance and are aware of their resources and time lines including obligations to stake holders. Williamson (1963) High Performance, Swift and Effective Communication, concludes tasks, market focused, dominated by systems, high value for money orientation, ambitious, aggressive goal setting, directive and task oriented. Its leadership with respect to a number of concurrent tasks pursues top-level goals of the organization. They are focused, target their rival and go after them. Managerial aspirations with respect to personal goals decline as they seek institutional achievements as against individual glory. Ideology Cooper (1975) of top management tends to become organic in high performance environments, more market oriented, technocratic, and participative and team driven. Khandwalla (1977) Although leadership styles are quite pronounced. The structure of the organization is complex, Sherif (1951) yet meaningfully designed to empower people to decide at the point of impact, cohesive internally. Crotty (1968) in general the organizations are more cohesive, more aggressive and dynamic. Crotty (1968) and Rose (1955) the domain directed activities of the organization involves competitive pricing, persuasive and targeted advertising, vertical integration, diversification and innovation in new products or services. Team based organizations follow lateral, free

wheeling approach effectively: Employees find opportunities to meet in-groups define problems, understand priorities and solve them together. Reward systems are in place that reflects peer input, mutual learning and intra/inter group and team behavior. Performance based work led business, structures that facilitate self managed team become necessary. Communication systems and data management archives must improve dynamically facilitating access to customer data on an on line basis. Opportunity by the teams to work through the content and process independent of supervisory control become a basic premise. Primary role of management's turn to facilitating lateral communication, learning and contribution. Human resource management systems are created to make self-management teams effective, specialized roles of HR are available to the teams for fulfilling roles which are beyond the team performance like legal, long terms settlement, compensation analysis, specialist training, key talent hiring etc. Communication channels intra and inter teams become easy and is now a part of the on going work process. Jobs utilize functional/technical excellence and expertise available in the corporate set up to its advantage and does not attempt replicating specialization. Members offer space to all contributing and value adding forces in the corporate world. Competing organizations constitute functions, skills and competencies, which are unique and relevant for their own effectiveness, and their learning emphasis is on growing their skills and competencies and not adds on functional specialization available within the system. The organization focuses on affecting individual with different skills together in order to form an effective group. They see the need for intra training to help them gain appreciation of other functions and they in turn to focus on product and service excellence.

**2. Learning Organization (Burnes and Stalker (1966) –** As per this Researcher this organization fosters learning, intellectually stimulating environments, innovative, high internal energy, and adaptability to individuals high, freedom to act, fair play in targets, time to develop, opportunity to apply, experiment, enabling the unknown. Effective learning makes organizations more able to cope with problems. Learning takes place when an organization interacts with the environment and by observing the results of their actions. Organizations learn by imitating other behaviors or by accepting other experiences as good for themselves. March and Olsen (1976) describe the learning cycle as stimulus response system in which individuals actions lead to organizational actions which invoke environmental response. The concept of the learning organization has been a popular one for quite some time now According to Garrett (1995), the key ideas about the learning organization were already developed immediately after World War II. It has taken much longer, however, before they were actually applied. The concept came of age under the impact of a rapidly developing world of work and organization. Pedler *et al* (1991) trace back the history of the concept (and a related one - total quality management) as stemming from earlier approaches such as organization development, individual self-development, action learning, and the excellence movement of the 1970s and 1980s. All of which in turn followed post-war concern of systematic training. The European Commission's (1996) *White Paper on Education and Training* highlights the impact of the information society on work and organization, the impact of international organization on the need for competitiveness, and the impact of scientific and technologic knowledge on industry. Growing competition, technological changes, new worry methods, financial constraints, globalization, reorganizations, mergers and the like, give rise to a need for organizations to learn and adapt more quickly to changing circumstances. In the words of McCarthy (1997), 'these processes

necessitated continuous improvement both in people and in organizations'. This is a central, if fairly general feature of the learning organization. There are many more specific definitions of the concept, most of which include notion' about continuous learning, innovation, responsiveness, commitment, collaboration shared vision, openness in communication, shared values, dialogue, the use of IT, empowerment, and so forth. Some of these definitions are of a descriptive nature, others are more normatively orientated

A learning organisation harnesses the full brain power, knowledge and experience available to it, in order to evolve continually for the benefit of all its stakeholders Mayo and Lank, (1994). Peddler, Burgoyne and Boydell (1989:2), describe the learning organization as 'an organization which facilitates the learning of all its members and continuously transforms itself. As indicated above, this definition contains an individual and an organizational change element Individual learning is necessary but not sufficient for organizations to learn. Interestingly in a more recent publication the same authors define the concept as 'an organization this facilitates the learning of all its members and consciously transforms itself *and its context* (Peddler *et al*, 1996:3). Apparently, organizations now need to be able to impact upon their environment as well as adapt to the changes taking place/ a concern that had already been raised much earlier by Mintzberg (1979). In fact, Mintzberg showed how (particularly larger) organizations succeed in affecting the circumstances in which they have to operate (for example, their clients, local and government policies, and so forth). Whereas Pedler *et al* stress the importance of organizational learning, Mumford (1995) finds the learning organization literature focuses too much on the structural element. In his opinion, individuals (and teams) must learn before there can be anything like organizational learning. Another core thinker about the learning

organization, Sense (1990:3), tries to integrate these two approaches. His definition, however, is quite a normative one: An organization where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together.

He presents his five disciplines for learning organizations:

- 1. Personal mastery, ensuring individual motivation to learn;**
- 2. Mental models, creating openness to misconceptions;**
- 3. Shared vision, building long-term commitment in people;**
- 4. Team learning, developing group skills like cooperation, communication and so forth;**
- 5. Systems thinking, which constitutes 'the most important discipline' (p. 12), integrating the other four.**

All the disciplines are to be practiced alongside each other and they have an impact on one another as well. As Hodgkinson (1998) describes, the learning organization is a process rather than a state, something that all members of an organization have to work on all the time, yet can never be fully realized. Peddler and Aspinwall (1996:182), too, stress that the learning company must remain a particular vision, to be realized in the context of a unique organization. Even though this may be the case, they consider it possible to generalize about organizational learning. People in companies learn from the problems, dilemmas and difficulties they encounter, together with their attempts to overcome them. Companies have much to learn from each other, too, but this can only be achieved if the contrasts are raised and the

differences between them made explicit. In other words, there is no such thing as *the* learning organization, but a variety of learning organizations that can benefit from each other's experiences.

3. **Human Organization Antony (1970)**– As per the researcher this organization values history and tradition, builds upon its people strengths, acts through clarity in all its orientation, philosophy to make people productive, high resilience, mutual expectations matched, long lasting relationships, mutual respect in work cultures, work ethic. Human organization co exists with productivity focus subject to a culture that is conducive to combing a conflicting point of view. While they are desirable outcomes the means and methods have still not been conclusively established. More over greater knowledge of human aspects enable a substantive understanding of the relatedness. There is some overlap of the human organization with that of the learning organization as both fall into the realm of people orientation and development. However the fundamental difference in a human organization continues to be excessive people focus, as against task, decision orientation is slow, compromise in difficult situations and poor conflict and competitive positioning. The organizational focus on climate and its energy is essential to be understood. In a literature review, Poell *et al* (1997) concluded that, although there are many definition of the concept of a learning organization, a number of issues keep recurring. The definitions describe the elements in a human system that makes for an efficient flexible is viable company. Communications are free, open easy. People interact/talk easily and informally y and in a family y like atmosphere all the time. People feel like a young person and would be fortunate to get and continue with this job irrespective of the rewards.



1. Continuous focus on the human interface and on the individual, group and system level;
2. Single- and double-loop learning processes. Swieringa and Wierdsma (1992) even conceive of triple-loop learning: not just doing things well, not just doing things better but also doing better things;
3. Creation and distribution of information and knowledge, cf. Nonaka and Takeuchi (1995);
4. Inquiry and dialogue in groups (sharing learning experiences);
5. Increasing the learning capacity of members (learning to learn) cf. Sense (1990);
6. Integration of work and learning (informal learning, learning on the job);
7. Shared vision (theory of action) cf. Sense (1990);
8. Empowerment of individual learners. According to the *White Paper on Education and Training* (European Commission/1996:40):

Vocational training in enterprises is increasingly taking place on the basis of a training plan that the workers themselves and their representatives have been involved in preparing. In the most progressive and most efficient companies, this training is organized less and less around the acquisition of skills for a specific task or even a clearly defined job.

9. Coaching by the manager;
10. Transformation and innovation;
11. Learning tied to business objectives but also for personal development

Poell and Tijmensen (1996) had already concluded that the literature on human learning organizations implicitly proposes a redefinition of the organization of work into team-based structures/ so as to allow for an integration of learning and work. Every work activity can also become a learning activity. Work is performed in multifunctional teams, thinking and doing are integrated into jobs, and workers are empowered to participate in team decision-making processes (Tjepkema, 1993). Before going on to highlight some criticisms of the learning organization concept, two actual examples of the way in which a learning company operates may help illustrate the ideas presented here.

4. **The Institution Crozier (1964)** – For the Researcher this organization has effective Structures, roles and responsibilities, elaborate communication channels, slow to react, defined end states, moderate goal setting, long lasting organization, ability to bounce back high. . This organization places a lot of faith and relief on the individual sense of responsibility. People are well aware of the organization goals, objectives and the strategic direction/mission of the business. The company standards of performance, productivity and growth are higher than those of similar organizations. The organization rewards correctly those who/ what should be rewarded only. To day given the realities of global work force it is critical to structure organizations which can offer combination of high pay and high value at work. As managing teams at the start up stage get over several weakness of the hierarchical approach will emerge. Individuals tend to compete in the hierarchical approach to move up the hierarchy. The employees end up spending their energy and efforts trying to please their boss rather than concentrating on offering service to their stakeholders. The quality of time spent preparing past data, analysis of tons of papers more often postmortem of yesterday's performance. Displaying work done to the boss, competing with each

other to withhold information all of that makes the focus of the individual only on pleasing the boss. There is often a lack of accountability for important organizational goals as everybody is doing work but there is no ownership to the work to be seen in a holistic manner. Putting people at large doing the same things together rather than grouping people who are trying to accomplish the same goals and who are working on the same process is a fast demanded change scenario of the new organization. The alternative is to make the teams responsible for their actions. They are masters of their game. The institution lasts over time. Every enterprise attempts to reach a steady state like an institution as they compete with organizations.

5. **Performing Organization. Khandwalla (1992)** – For the researcher this organization has bottom line paramount, financial focus primary objective, rigors of feedback high, low tolerance for failures, political climate, survival driven beyond values, inability to work in team's evident, non-negotiable goals. Employees enjoy freedom to do their work, to plan and set their work pace, style and methods, but are severally accountable for their goals and targets. Generally employees here are warm, friendly, forthcoming with a clear agenda on performance orientation. People are proud and happy to be acknowledged as a member of this organization when tasks have been accomplished. Problems are not smoothened out, not avoided but faced. People are permitted to do their own free thing to a remarkable degree. People here come to your help when needed without hesitation as long as there is something in return. Members who are driven by achievement of numbers, political and power conscious feel proud of this crowd of men and women. People are expected to use their discretion in their work here. Jobs are well defined/clear and people are aware of their role & responsibilities and all work relates to financial and revenue figures Profitability is the only good word. Means are not as important as the end in itself.

Ethics tends to be loosely interpreted and guidelines are arranged to suit business needs. Organizational members are trained to break rules although would not accept it openly. Yet leaders know that the rules are broken and they would watch as long as revenue numbers are achieved. There is effort to find better ways of doing things. Performance, not personal relationships/considerations is what counts in this organization. Conflict is seen as natural, inevitable, and productive. There is a lot of trust, mutuality and faith in this organization. Things are well systematized and work goes on efficiently perhaps on a clock wise precision, but there are no feelings. The quality of work at all levels is high. Promotions reflect the stated promotional policy. Superiors rarely listen to Dissident/differing views. High performance organizations have a premium on information, knowledge, learning, capabilities and performance orientation. The individuals working in teams understand the business. They know its strategy, on going business performance and with a clear definition of the stakeholders and competitors. High performing individuals see their reward as a function of the success of the business. They are owners in the true sense and share in this performance in ups and downs with clarity that what is key for the business is key for them. They are in a position to influence critical organizational decisions including being in a position to decide on their work, content, method, belief they will work with and actively participate in the decision making process in a highly involved manner. Honda has ventured on the making of a world car betting on a flexible design and they believe only a team can do it. The chief engineer set up skunk works to create the flexible foundation. When all employees add significant value and they act like owners and managers who exercise self-control, seek pleasure in doing more complicated tasks, assignments with stretch, deadlines, which are impossible. They manage and control their own work teams coordinate their work and priorities with other employees, seek feed back learning opportunity and

benchmarks on better ways of doing work. They constantly develop new ways to satisfy stakeholders. To add value in real life job situation is no longer the prerogative of top management. There is little opportunity for employees to add value to simple repetitive work. More often than not when individual try to add value and in important situations like self-management, team working, the bureaucracy and the work systems will not let them be.

**6. Intellectual Organization March and Olsen (1976)** – The researcher believes that this organization promotes and perpetuates intellect as an end in itself, limited space to learn as organizations evolve, best in class focus, content than process delivery mechanisms, organizational purpose beyond bottom line. Organizations will be built around individuals. The individual will be the foundation of the organization Intellectual nomads is preferable to extremely loyal but average performers. An organization of like-minded individuals will perform better than an organization of diverse individuals. Headcount Management will not be an issue in tomorrow's organization. The organizational culture of tomorrow must focus on individual growth & contribution rather than on their performance. Change management will become easier in the organization of tomorrow because the intellect seeks change and does not shy away from it. The number of employees working part-time is likely to be larger than the full-time employees Adhocracy will prevail over any other known forms of organizational structures -There are two distinct kinds of organizational people - Thinkers and Doers. Conflict within organizations is inevitable and desirable. Knowledge and Intellect has been dealt with by Watkins and Marsick (1993) emphasize that systems to capture and share individuate learning intellect must be put in place before organizations can benefit. Nonaka and Takeuchi (199E describe such a system of knowledge creation in companies. They distinguish four

types of knowledge conversion among people, which can be combined to form processes in time:

1. ***Socialization:*** tacit knowledge reproduced as tacit knowledge. People learn from each other by sharing experiences, imitation/ trial and error, and so forth.
2. ***Externalization:*** tacit knowledge made explicit. People learn by systematizing and codifying their implicit knowledge, making visible what is hidden inside them.
3. ***Combination:*** explicit knowledge reproduced as explicit knowledge. People learn using materials and other resources specifically aimed at teaching people.
4. ***Internalization:*** explicit knowledge made tacit. People learn by practicing skills, automating procedures, acquainting themselves with tasks by doing them.

Nonaka and Takeuchi speak about a hypertext, knowledge based intellectual organization rather than a learning organization. According to their ideas, this type of company succeeds in combining the efficiency of a bureaucratic organization with the innovativity of an adhocratic organization Mintzberg, (1979). This is achieved by involving all layers of the organization in the right kinds of knowledge conversion at the right time, through codification and commodity orientation of individual tacit knowledge Grey, (1998). Every member in the company contributes to the creation, management and proliferation of collective knowledge throughout the organization. Nonaka (1991), that the only reliable source of competitive advantage is the knowledge has argued it that is latent within the organisation itself in the memory and potential of employees. The key

to unlocking it is to create a sense of identity between employee and organisation and to tap into the commitment generated. As with any intellectual, knowledge organisation, a high trust climate is essential for this process to occur. A critical component of such organisations is a system that continually makes all necessary information available to workers and encourages the sharing of information and ideas. Management strategies must aim at ensuring the availability of information to employees, including the conceptual frameworks to enable them to use that information for organizational ends.

**6. Voluntary Organization Hirschman (1970)** – In the perspective of this researcher this organization, supports a purpose and cause beyond commercial purposes, drives people and process synergies, high resilience to economic up and down turns, long range planning, organizational strategy differentiates businesses and other purposes. Poell *et al* (1997) presents an alternative concept of the learning organization, to what we call as the Voluntary Organization, in response to the criticisms they have raised. It focuses on multifaceted learning and work arrangements (not only group learning in multifunctional teams) and enabling people to handle tensions they encounter in everyday work life (not only developing shared values). These organizations have elaborate management structures, loosely coupled motivational systems that are extrinsic, substantive drivers expected from organizational members to participate in such organizations. The organization works in a slow, steady manner, seeking elaborate and detailed information, covers its tasks through sector, functional and peoples specialists and participates in completion of long term goals. Goal setting hierarchy is driven by rules, detailed policy framework and delegated responsibility. Accountability tends to be quite dispersed and member's willingness to take decisions at times is painfully slow. Tensions arise because there is always several actors within and outside the organization that want to impact on the way learning and work are organized. In

order to create learning and work arrangements in which all of them can participate effectively, it is important to:

- 1. Deal with the autonomy and empowerment of individual employees;**
- 2. Provide a clear policy and direction;**
- 3. Allow participation and learning in-groups, emphasizing shared understanding and reflection; take into account the professional field where new methods and insights are developed.**

A voluntary organization should explicitly address the relationship between learning and work and provide people with possibilities to connect the two in multiple ways. Although studies offer some examples of how this could be achieved/ the organizations involved did not really pay much attention to explicitly relating learning to work. There is still significant room for progress in this area.

- 7. Mechanistic Organization Perrow (1972)** – For the Researcher, Mechanistic organizational units are the traditional pyramidal pattern of organizing with functional structures, high degree of specialization, substantive size and governmental orientation. These corporations are largely conglomerate, multi business, geographic organizations, thick internal architectures, long hierarchies, open to change although long in time, stable goals, consistent methods, predictive approaches, systemic and role driven. Roles and procedures are clearly defined and corporate policy for administration is equally clear, valid and rigorous enough to be executed at all times. There is always a policy for nearly every question or an unresolved problem. Communication is channeled and time spans and goal orientations are similar within a unit. These organizations work with a automated, machine like efficiency. Levels arrange authority,



influence and information; each higher level has successively more authority, more information and substantive voice in enabling change. Decision-making is centralized at the top and it is the top levels that make appreciative judgements to determine what is important in the environment at varying points in time. Top management also determine the way processes would be organized and created for the other levels of the hierarchy on the way they would work, decide, use information and obtain approvals as required. Thus people are conceived of as parts performing specific tasks. These organizations typically work when organizational unit is performing a task that is stable, well defined and likely to be programmable, or when members of the organization prefer well-defined situations. Mechanistic form is efficient and predictable and provides greater clarity to members who have low tolerance for ambiguity and seek secure and stable environment. These forms are less flexible, once a direction and procedures have been set out and difficult to change in the short term.

**The Eight Organizational Models presented above by the Researcher forms the assumption of the researcher in regard to defined organization and management models.**

## Section 5

### Connecting Cultures to Organizations

**The researcher has attempted to connecting cultures to Organizations and to bring in a relevance of the said Culture to organizational models, where possible leadership dimensions have been appropriately included.**

*For whose benefit does the organization exist?*

It seems clear that organizations exist less today for the well being of rank-and file employees than they once did. With the Dow shattering all records, it seems clear that the shareholders have the upper hand in making critical corporate decisions. They are partnered with CEO's who received an average pay raise in 1995 of 23% (*Washington Post*, 3/5/96). Just look at who is prospering and who is not.

*What are the basic assumptions among people about working relationships in the organization?*

The basic assumptions about working relationships have changed, in ways that can not yet be well assessed. It appears, at least, that relationships tend to be less "familial" and more competitive than in the past. What is the worth of what have traditionally been termed commitment and loyalty? We just do not know? What is the impact of the feeling that the organization is a community - even a family - with relatively stable long-term working relationships? And how will that play out in terms of cooperation given to others as opposed to "back stabbing" in the intense competition for scarce resources? We can only be sure that things have changed, not how.

*What are the basic assumptions the organization and the employee make in relation to each other?*

The basic assumptions by employees and organizations about their employment relationship have changed from long-term and stable, with organizations expected to make accommodations to avoid laying people off to more short-term and contingent. Researchers such as Bridges and Noer forecast a more happy future for those who adapt to the changing times in the new scenario, but that is a difficult forecast to test.

Organizational culture represents a common perception held by the organization's members. This was made explicit when we defined culture as a system of shared meaning. We should expect, therefore, that individuals with different backgrounds or at different levels in the organization will tend to describe the organization's culture in similar terms.

Acknowledgement that organizational culture has common properties does not mean, however, that there cannot be subcultures within any given culture. Most large organizations have a dominant culture (Institution Organization Model together with a Division that is Human Organization Model) and numerous sets of subcultures. A common misconception is that an organization has a uniform culture. However, at least as anthropology uses the concept, it is probably more accurate to treat organizations "as if" they had a uniform culture. "All organizations 'have' culture in the sense that they are embedded in specific societal cultures and are part of them." According to this view an organizational culture is a common perception held by the organization's members. Everyone in the organization would have to share this perception. However, realistically, all may not do so to the same degree. As a result, there can be a dominant culture as well as subcultures throughout a typical organization. Some organizational

cultures could be labeled “Thick,” others “Thin.” There seem to be two major factors that determine the strength of an organizational culture: sharedness and intensity. Sharedness refers to the degree to which the organizational members have the same core values. Intensity is the degree or commitment of the organizational members to the core values. The degree of sharedness is affected by two major factors: orientation and rewards. In order for people to share the same cultural values, they must know what these values are. Many organizations begin this process with an orientation program. New employees are told about the organization’s philosophy and method of operating. This orientation continues on the job where their boss and coworkers share these values through both word of mouth and day-to-day work habits and example. Sharedness is also affected by rewards. When organizations give promotions, raises, recognition, and other forms of reward to those who adhere to the core values, these actions help others better understand these values. Some organizations have been labeled “the best to work for” because the rewards that they give to their people are exemplary and help reinforce commitment to core values. The degree of intensity is a result of the reward structure. When employees realize that they will be rewarded for doing things “the organization’s way”, their desire to do so increases. Conversely, when they are not rewarded or they feel there is more to be gained by not doing things the organization’s way, commitment to core values diminishes.

How does culture affect organizational models? To answer this question, we need to first differentiate thick cultures from thin ones. That different types of organizations have similar or dissimilar perspectives on cultures has to be understood. Of significance is the research work and proposition of Khandwalla:

### **Khandwalla Perspectives on Organizational Cultures**

1. **The Mechanistic Organizational Culture** exhibits the values of bureaucracy and feudalism. **Burns and Stalker (1961)**. Organization work is conceived as a system of narrow specialists, as among craft guilds. Authority is thought of as flowing from the top and information and instructions follow formally through prescribed channels.
2. **The Organic Culture. Burns and Stalker (1961)** is a contrast to the mechanistic culture with formal hierarchies of authority, departmental boundaries, rules and regulations frowned upon quite severely. There is an emphasis on getting tasks accomplished, ensure transparent flow of information, build equity in processes, ease of communication strongly advocated.
3. **The Authoritarian Culture. Likert (1967)** is power centric towards the superior with reinforcement mechanisms created to follow orders. The actions are directive with limited scope for dissent and command and control forms the basis of management
4. **The Participative Culture** believes in the human nature to cooperate to participate in decisions than to have them imposed upon them. Group problem solving, collaboration instead of conflict are some practices.
5. **The Management Systems. Churchman (1968), Clelland and King (1972), Daniels and Yeates (1988)** Culture depends on the technical nature of work and consequent engineering emphasis to management. Actions involve analysis, research for more effective ways to handle issues, processes are streamlined and established, standardization is encouraged and overall effort to bring in method to management actions is key to this culture

6. **The Entrepreneurial Culture.** Peterson (1982) defines spirit to growth, individual initiative, risk taking roles, vision and the willingness to work through building capability and attitude towards the organization.
7. **The Paternalistic Culture.** Dayal (1977) identifies with the promoter who often is also the owner of sorts given their early start up history. The organization follows with the family trail, their beliefs, values and practices and imbibes many as its own. The organization values loyalty and in return provides security and stability to its employees on the job.
8. **The Altruistic Culture** Greenleaf (1977) revolves around an institutional format with its basic beliefs in favor of good for the society and the larger environment. Selfless service, the desire to contribute to a larger well, make individual and institutional contribution substantive in both intellectual and wealth generation focus drive the organization.

Organizations in turn have a thick or a thin culture or otherwise stated as strong or weak cultures. A **thick culture** is characterized by the organization's core values being intensely held, clearly ordered, and widely shared. The more members that accept the core values, agree on their order of importance, and are highly committed to them, the stronger the culture is. Organizations that are young or have constant turnover among their members, almost by definition, may have a weak culture, for example, the learning or human organization model because members will not have shared enough experience to create common meanings. This shouldn't be interpreted to imply that all institutions or mechanistic organizations with a stable membership would have

strong cultures. The core values must also be intensely held. If the culture is thick, how will it influence the organization's effectiveness?

The answer possibly lies in: Effectiveness requires that an organization's culture, strategy, environment, and technology be aligned. The stronger the organization's culture, the more important it is that the culture fit properly with these variables. The successful organization will achieve a good external fit-its culture will be shaped to its strategy and environment. Market-driven strategies, for instance in competing and performing organizational models, are more appropriate in dynamic environments and will require a culture that emphasizes individual initiative, risk taking, high integration, tolerance of conflict, and high horizontal communication. In contrast, product-driven strategies focus on efficiency, work best in stable environments, and are more likely to be successful when the organization's culture is high in control and minimizes risk and conflict. Successful organizations, typically a competing organization or a performing organization, will also seek a good internal fit, with their culture properly matched to their technology. As stated, routine technologies provide stability and work well when linked with a culture that emphasizes centralized decision making and limited individual initiative. Non routine technologies, on the other hand, require adaptability and are best when matched with cultures that encourage individual initiative and downplay control. Voluntary organizations tend to ask for steady cultures where identifiable sets of members and member behaviors are asked, understood and appreciated. Intellectual organizational models continue to be difficult to identify and map

Another result of a strong culture (Voluntary Organizations) is that it increases behavioral consistency. It conveys to employees what behaviors they should engage in. It tells employees things like the acceptability of absenteeism. Some cultures (Human Organization) encourage employees to use their sick days and do little to discourage absenteeism. Not surprisingly, such

organizations have much higher absenteeism rates than those organizations where not showing up for work – regardless of reason – is seen as letting your co-workers down. Given that strong cultures increase behavioral consistency, it's only logical to conclude that they can be a powerful means of implicit control and can act as a substitute for formalization. We know how formalization's rules and regulations (Institution Organization Model)) act to regulate employee behavior. High formalization (mechanistic organization model) in an organization creates predictability, orderliness, and consistency. A strong culture achieves the same end without any need for written documentation. Moreover, a strong culture (sometimes the Institution) may be more potent than any formal structural controls because culture controls the mind and soul as well as the body. It seems entirely appropriate to view formalization and culture as two different roads to a common destination. The stronger an organization's culture, the less management need be concerned with developing formal rules and regulations to guide employee behavior. Those guides will have been internalized in employees when they accept the organization's culture

#### **And it leads to Cultural Empowerment in organisations**

The verb to empower means to enable, to allow or to permit and can be conceived as both self-initiated and initiated by others. Empowerment is the process of enabling workers to set their own work-related goals, make decisions and solve problems within their sphere of responsibility and authority. Luthans (1992) suggests the following ways in which management can empower employees. Management can:

- (1) Express confidence in employees' abilities and hold high expectations concerning their performance;**
- (2) Allow employees to participate in the decision-making process;**
- (3) Allow employees freedom and autonomy in how they perform their jobs;**



**(4) Set inspirational or managerial goals for employees;**

**(5) Use position power in a prudent and positive way and limit the use of coercive power.**

Unfortunately, there are many barriers to the empowerment of employees. There is still a widespread belief among managers that to empower subordinates is to lose one's own power. One way to overcome such a perception is to make sure that managers who empower their subordinates are not subsequently blamed for their subordinates' failures nor ignored when their subordinates succeed. Vogt and Murrell (1990) suggest that an individual is empowered through trust, communication and participation that in turn bring about commitment to people, institutions, projects and experiences.

#### **Including the possibility of Co Existence of several cultures (sub cultures) in organizations**

Co existence is inevitable is the Researcher's perspective. That together with Edgar Schein's three cultures another culture could exist or alternatively two of the four could exist in the same context and situation. Many paradigms or models have recently been constructed to describe organizational culture. One of the most comprehensive and widely known is that by Deal and Kennedy. Four basic types of cultural profiles they uncovered Each type is characterized by some combination of two factors: the type of risks that managers assume and the type of feedback that results from their decisions Most organizations are some hybrid of these cultural profiles; they do not neatly fit into any one of them. However, within the organization there are subcultures that do tend to fit into one of these four profiles. Some organizational cultures may be the direct, or at least indirect, result of actions taken by the founders. However, this is not always the case. Sometimes founders create weak cultures, and if the organization is to survive, a new top manager must be installed who will sow the seeds for the necessary strong culture.

A **dominant culture** expresses the **core values** that are shared by a majority of the organization's members. When we talk about an organization's culture, we are referring to its dominant culture. It is this macro view of culture that gives an organization its distinct personality. A dominant culture is set of core values shared by a majority of the organization's members. These values create a dominant culture in these organizations that helps guide the day to day behavior of employees.

**Subcultures** tend to develop in large organizations to reflect common problems, situations, or experiences that members face. These subcultures can form vertically or horizontally.<sup>10</sup> Important, but often overlooked, are the subcultures in an organization. A subculture is set of values shared by a minority, usually a small minority, of the organization's members. Subcultures typically are a result of problems or experiences that are shared by members of a department or unit. Subcultures can weaken and undermine an organization if they are in conflict with the dominant culture and/or the overall objectives. Successful firms, however, find that this is not always the case. Most subcultures are formed to help the members of a particular group deal with the specific, day-to-day problems with which they are confronted. The members may also support many, if not all, of the core values of the dominant culture. When one product division of a conglomerate has a culture unique from that of other divisions of the organization, a vertical subculture exists. When a specific set of functional specialists – such as accountants or purchasing personnel – have a set of common shared understandings, a horizontal subculture is formed. Of course, any group in an organization can develop a sub culture. For the most part, however, subcultures tend to be defined by departmental designations or geographical separation. The purchasing department, for example, can have a subculture that is uniquely shared by members of that department. It will include the core values of the dominant culture plus additional values unique to members of the purchasing department. Similarly, an office or unit of the organization that is physically separated from the organization's main operations may take on

a different personality. Again, the core values are essentially retained but modified to reflect the separated unit's distinct situation. Sub-cultures exist in all organizations. They relate to membership of different groups and vary between these (for example, in the state of openness of dealings between members). Sub-cultures become more destructive when they operate contrary to absolute standards. Forms of this are as set out below.

- 1) The canteen culture, whereby the shared values adopted are those of groups that gather away from the work situations and in such places as the washroom or canteen.
- 2) Elite's and cliques, whereby strength and primacy is present in some groups at the expense of others. This leads to over mightiness. It affects operations when the elites and cliques are able to command resources, carry out projects and gain prestige at the expense of others; to lobby effectively for resources at the expense of others; and to gain favor at the expense of others.
- 3) Work regulation, whereby the volume and quality of work is regulated by the group for its own ends rather than those of the organization; when it sets and works to its own targets which are at variance with those of the organization.
- 4) Informal norming, whereby individuals are pressurized to adopt the attitudes and values of those around them rather than those of the organization. This occurs most when the organizations own norms are not sufficiently strong or structured to remove the local or group pressure.

If organizations had no dominant culture and were comprised only of numerous subcultures, the influence of culture on organizational effectiveness would be far more ambiguous. Why?

Because there would be no consistency of perceptions or behavior. It is the “shared meaning” aspect of organizational culture that makes it such a potent concept. But we cannot ignore the reality that many organizations also have distinct subcultures.

#### **And the imperative to achieve Designed Cultures to enable change**

Designed cultures (for example, Need to convert from Performing Organization to Competing Organization or from a Human Organization to a Learning Organization) mean that the culture is shaped by those responsible for organizational direction and results, and created in the pursuit of this. This involves setting the standards of attitudes, values, behavior and belief that everyone is required to subscribe to as a condition of joining the organization. Policies are produced so that everyone knows where they stand, and these are underpinned by extensive induction and orientation programs and training schemes. Procedures and sanctions are there to ensure that these standards continue to be met. Organizations with very specific cultures are not all things to all people: many, indeed, make a virtue of their particular approach of ‘Many are called but few are chosen’. High levels of internalization of shared values are required. Other perceptions emerge from this. Feelings of confidence, trust and respect are created. Individual response to the level of organization commitment that is evident in this approach tends to be high.

#### **Apart from creation of an Emergent or Evolving Culture**

Emergent culture (In our context defined as Evolving Culture which is significantly more robust than emergent culture defined here in below) is where the culture is formed by the staff (and staff groups) rather than directed by the organization. The result is that people think, believe and act according to the pressures and priorities of their peers and pursue their own agenda. (The Intellectual Organization) This is clearly fraught with difficulties and dangers: organizations that allow this happen will succeed only if the aims and objectives of the staff coincide absolutely

with their own. It leads to the staff setting their own informal procedures and sanctions, or operating formally in ways that suit their own purposes rather than those of the organization. Individuals and groups, again, are not all things to all people; they may and do reject those who refuse to abide by the norms and values that they have set for themselves.

## **Section 6**

### **Relevance of Leadership on Organizational Culture in an Organization and Management Model**

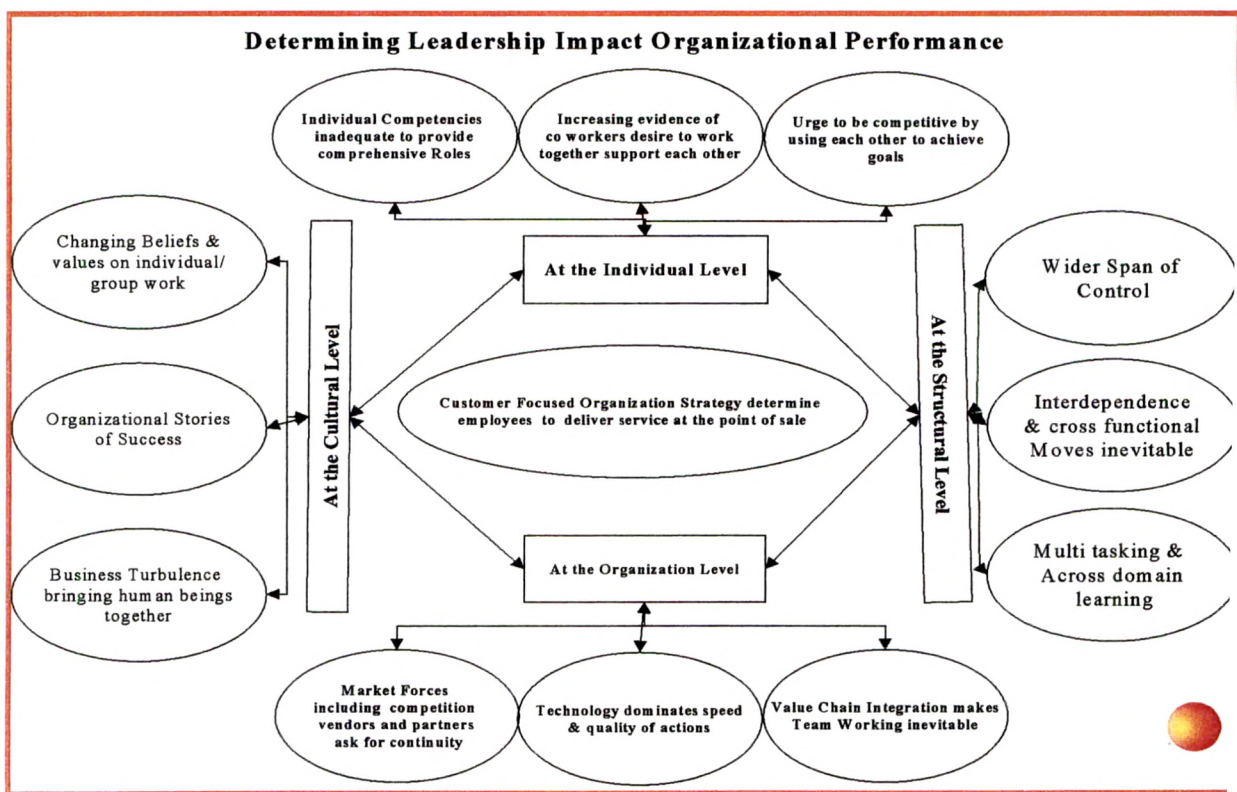
**The researcher has attempted to bring in the relevance of Leadership on culture and their context to the Organizational Models to the Research. This has meant looking at some fundamental thought positioning in this regard and some of which are mentioned below:**

1. Leaders drive organizations to perform in ways they believe would support their goal orientation.
2. In doing so the Leaders influence and impact the organizational culture
3. The leaders in turn also assume a concrete degree of clarity on the organizational purpose, its business philosophy and shareholder expectation. An all encompassive culture and values operate in the environment
4. Consequently organizations work in a context influenced by its culture in which the said philosophy operates. The culture is defined in this organizational context and is also influenced by the leader. Effectively, for example, in an organizational context of Competing Organization, influenced by a operator culture and led by a teacher may not be compatible given incongruent nature of this relationship, with each bringing its won nuances.
5. The Researcher would establish the appropriate connection that links up each of these factors, being leadership, culture and organizational and management models, relevantly.
6. And bring to bear that leadership influence over culture is limited unless the organizational model/context is considered.

Leadership in turn becomes key for impacting organizational culture in the context of specific types of organizational model. The role of the leader primarily focuses on creating key organizational systems and process that provide strategic contribution. They position themselves to add value by defining organizational priorities in the organizational model that they work in (Example Competing Organization Models and Market Forces) and by sensing conditions and events in the business environment that affect strategy. Flatter and more lateral organizational structures and a decrease in the number of layers call for leadership from everyone. Leaders operate effectively when someone or the same set of individuals lead by challenging the group and helping it set priorities and pressing for excellence in performance. The leader sets direction for the organization and builds mechanism to allow people to understand what that direction is and to measure their progress. It is particularly difficult for managers in their traditional hierarchical organization (Mechanistic or Institutional Organizational Model) to give best heroic leaders. What is blatantly evident is presence of many leaders in given line functions whose titles distinctly connotes leadership but whose behavior borders on petty mindedness, turf creation, showing sensitivities, wining at every issue with a gross inability to courageously put deadlines, chase goals forward and lead the team by example. These leaders are those who typically would articulate the right thing be it business goals, performance objectives, key tasks and benchmarks, quoting examples of other well run organizations, espouse latest management theories. In practice they are nothing but tyrants to seek power of pleasure and privilege to command and control people. When not in the current role they are perhaps spending a lot of time to prove their leadership by demonstrating how other units or functions are not doing their jobs. Organizations in our experience are grossly perceptive of such leaders and over time turn wary. Organizational counseling efforts are critical to up front leaders who continue to practice styles that worked in the past and educate them of the new realities. In the researcher's judgement these are classical cases of basic feedback and developmental systems not available in the corporation. Some of the leadership styles mentioned above are not rare, but is a diminishing lot. This is of course a

contrast to Jack Welch who says, “ The idea flow from the human spirit is absolutely unlimited. All you have to do is tap into it”. With Jack Welch if you are doing well, you probably have more freedom than most CEO’s have in publicly held companies. But the leash gets pulled very tightly when a unit is under performing. Doug Ivester of Coke stated to be most data driven demanding CEO in the world is at his best leadership challenge. He has to keep pace with benchmarks set by Goizueta. Coke continues to be a standard for keeping to its strengths, articulating goals, current inspiration selling a billion drinks a day, which amounts to 2% of all the world’s daily beverage consumption, thereafter to double coke share to double of the worldwide consumption. Leaders continue to make position statements and strike the chord of inspiration. Because change is almost always resisted, it needs a champion. And the more powerful and visible the champion, the more likely the change will be successful.

The leader of the organization-most often the CEO-is perhaps the most effective communicator of the importance and necessity of change to the work force. The performance orientation is





established at this stage and level. In fact, all best-practice organizations indicated that their CEOs plan and manage organizational change, thus serving as the change agents. It usually is not

**Figure: 16 Determining Leadership Impact on Organizational Culture**

enough for the CEO to develop and articulate a vision for the organization. For that vision to be implemented effectively, the CEO must plan and manage the process of change as well. **That signals the importance of change throughout the organization and facilitates the congruence between the vision and the change process apart from connecting it to the organizational performance.**

Of course, large organizations do not have just one leader; leaders are found in a variety of functions and levels, ranging from the CEO to department directors to specially created teams. Since leaders must understand their roles in managing and motivating change, education and development of these leaders becomes essential. All best-practice organizations indicated that formal education and training is an important element of the education programs designed to change their cultures.

For example, The Rover Group trained all 3,000 of its managers to ensure they understood the leadership role expected of them. A program of 250 four-day courses, each opened and closed by an executive, was completed in less than three years. At Arizona Public Service, 1,000 leaders attended 17 separate one-week "Focus" sessions to develop an understanding of the corporate strategic plan and sensitivity to cost management. Education alone, however, is not enough. Organizations that successfully implement significant change reinforce and reward desirable behaviors of leaders and managers with appropriate changes to corporate infrastructure such as performance appraisal, performance management, and compensation systems. Managers and

leaders who cannot or will not contribute positively to the change process are encouraged to leave the organization.

### **Toward a Leadership Approach to Culture Change**

How can an organizational leader know how to steer an appropriate course? This is not an easy task. In the case of the private sector, the market seems to well reward a "tough-nosed" approach to downsizing, and in the case of the public sector, Republicans and Democrats vie for bragging rights over who can eliminate the jobs of the most bureaucrats. In early 1996, a landmark journalistic account of the impact of restructuring impact on U.S. society-at-large (*New York Times*, 1996) and a *Newsweek* (1996) cover story lambasting corporate "greed heads" for their excessive profits gained at the expense of many lost jobs reflected more critical coverage than had previously been enjoyed by the corporate community. AT&T's Robert Allen also was criticized about his pay package of \$16 million during 1995, the same year he set about to restructure 50,000 people out of their jobs (*Pearl stein*, 1996). Overall, however, the media have given quite friendly coverage to downsizing. A leader may have to look beyond external rewards and media coverage to determine how to approach downsizing and related issues.

While "moralism" in the study of culture is best resisted, there are still many leaders who wish to acknowledge a certain responsibility for the "moral" or "spiritual" fabric of the life of their organizations. For those persons, the following partisan and unscientific comments are offered. A leader needs to examine just how well the course of downsizing action being proposed fits with the values and beliefs he/she would like to see carried forward. That may require a certain amount of introspection. It may require putting to the side, at least temporarily, the brilliant technical rationale for reductions provided by his/her external management consultants.