20

How organizations function

BASIC CONSIDERATIONS

The two factors that determine how an organization functions in relation to its internal and external environment are its structure and the processes that operate within it. Organizations are also affected by the culture they develop, that is, the values and norms that affect behaviour (see Chapter 21).

Much has been written to explain how organizations function and the first part of this chapter summarizes the various theories of organization. These theories provide the background to the last three sections of the chapter which deal with organization structure, types of organizations and organizational processes.

ORGANIZATION THEORIES

The classical school

The classical or scientific management school, as represented by Fayol (1916), Taylor (1911) and Urwick (1947), believed in control, order and formality. Organizations need to minimize the opportunity for unfortunate and uncontrollable informal relations, leaving room only for the formal ones.

The bureaucratic model

The bureaucratic model of organization as described by Perrow (1980) is a way of expressing how organizations function as machines and can therefore be associated with some of the ideas generated by the classical school. It is based on the work of Max Weber (1946) who coined the term 'bureaucracy' as a label for a type of formal organization in which impersonality and rationality are developed to the highest degree. Bureaucracy, as he conceived it, was the most efficient form of organization because it is coldly logical and because personalized relationships and non-rational, emotional considerations do not get in its way.

The human relations school

The classical, and by implication, the bureaucratic model were first challenged by Barnard (1938). He emphasized the importance of the informal organization – the network of informal roles and relationships which, for better or worse, strongly influences the way the formal structure operates. He wrote: 'Formal organizations come out of and are necessary to informal organizations: but when formal organizations come into operation, they create and require informal organizations.' More recently, Child (1977) has pointed out that it is misleading to talk about a clear distinction between the formal and the informal organization. Formality and informality can be designed into structure.

   Roethlisberger and Dickson (1939) reported on the Hawthorne studies – which highlighted the importance of informal groups and decent, humane leadership.

The behavioural science school

In the 1960s the focus shifted completely to the behaviour of people in organizations. Behavioural scientists such as Argyris (1957), Herzberg *et al* (1957), McGregor (1960) and Likert (1961) adopted a humanistic point of view which is concerned with what people can contribute and how they can best be motivated.

- *Argyris* believed that individuals should be given the opportunity to feel that they have a high degree of control over setting their own goals and over defining the paths to these goals.
- *Herzberg* suggested that improvements in organization design must centre on the individual job as the positive source of motivation. If individuals feel that the job is stretching them, they will be moved to perform it well.
- *McGregor* developed his theory of integration (theory Y) which emphasizes the importance of recognizing the needs of both the organization and the individual

and creating conditions that will reconcile these needs so that members of the organization can work together for its success and share in its rewards.

- *Likert* stated that effective organizations function by means of supportive relationships which, if fostered, will build and maintain people's sense of personal worth and importance.

The concepts of these and other behavioural scientists provided the impetus for the organization development (OD) movement as described in Chapter 22.

The systems school

Another important insight into how organizations function was provided by Miller and Rice (1967) who stated that organizations should be treated as open systems which are continually dependent upon and influenced by their environments. The basic characteristic of the enterprise as an open system is that it transforms inputs into outputs within its environment.

As Katz and Kahn (1966) wrote: 'Systems theory is basically concerned with problems of relationship, of structure and of interdependence.' As a result, there is a considerable emphasis on the concept of transactions across boundaries – between the system and its environment and between the different parts of the system. This open and dynamic approach avoided the error of the classical, bureaucratic and human relations theorists, who thought of organizations as closed systems and analysed their problems with reference to their internal structures and processes of interaction, without taking account either of external influences and the changes they impose or of the technology in the organization.

The socio-technical model

The concept of the organization as a system was extended by the Tavistock Institute researchers into the socio-technical model of organizations. The basic principle of this model is that in any system of organization, technical or task aspects are interrelated with the human or social aspects. The emphasis is on interrelationships between, on the one hand, the technical processes of transformation carried out within the organization, and, on the other, the organization of work groups and the management structures of the enterprise. This approach avoided the humanistic generalizations of the behavioural scientists without falling into the trap of treating the organization as a machine.

The contingency school

The contingency school consists of writers such as Burns and Stalker (1961), Woodward (1965) and Lawrence and Lorsch (1976) who have analysed a variety of organizations and concluded that their structures and methods of operation are a function of the circumstances in which they exist. They do not subscribe to the view that there is one best way of designing an organization or that simplistic classifications of organizations as formal or informal, bureaucratic or non-bureaucratic are helpful. They are against those who see organizations as mutually opposed social systems (what Burns and Stalker refer to as the 'Manichean world of the Hawthorne studies') that set up formal against informal organizations. They disagree with those who impose rigid principles of organization irrespective of the technology or environmental conditions.

More recent contributions to understanding how organizations function

Kotter (1995*)* developed the following overall framework for examining organizations:

* key organizational processes – the major information gathering, communication, decision-making, matter/energy transporting and matter/energy converting actions of the organization's employees and machines;
* external environment – an organization's 'task' environment includes suppliers, markets and competitors; the wider environment includes factors such as public attitudes, economic and political systems, laws etc;
* employees and other tangible assets – people, plant, and equipment;
* formal organizational requirements – systems designed to regulate the actions of employees (and machines);
* the social system – culture (values and norms) and relationships between employees in terms of power, affiliation and trust;
* technology – the major techniques people use while engaged in organizational processes and that are programmed into machines;
* the dominant coalition – the objectives, strategies, personal characteristics and internal relationships of those who oversee the organization as a whole and control its basic policy making.

Mintzberg (1983b) analysed organizations into five broad types or configurations:

- *simple structures*, which are dominated by the top of the organization with centralized decision making;
- *machine bureaucracy*, which is characterized by the standardization of work processes and the extensive reliance on systems;
- *professional bureaucracy*, where the standardization of skills provides the prime coordinating mechanism;
- *divisionalized structures*, in which authority is drawn down from the top and activities are grouped together into units which are then managed according to their standardized outputs;
- *adhocracies*, where power is decentralized selectively to constellations of work that are free to coordinate within and between themselves by mutual adjustments.

Drucker (1988) points out that organizations have established, through the development of new technology and the extended use of knowledge workers, 'that whole layers of management neither make decisions nor lead. Instead, their main, if not their only, function, is to serve as relays – human boosters for the faint, unfocused signals that pass for communications in the traditional pre-information organization'.

Pascale (1990) believes that the new organizational paradigm functions as follows:

- *from* the image of organizations as machines, with the emphasis on concrete strategy, structure and systems, *to* the idea of organizations as organisms, with the emphasis on the 'soft' dimensions – style, staff and shared values;
- *from* a hierarchical model, with step-by-step problem solving, *to* a network model, with parallel nodes of intelligence which surround problems until they are eliminated;
- *from* the status-driven view that managers think and workers do as they are told, *to* a view of managers as 'facilitators', with workers empowered to initiate improvements and change;
- *from* an emphasis on 'vertical tasks' within functional units, *to* an emphasis on 'horizontal tasks' and collaboration across units;
- *from* a focus on 'content' and the prescribed use of specific tools and techniques, *to* a focus on 'process' and a holistic synthesis of techniques;
- *from* the military model *to* a commitment model.

Handy (1989) describes two types of organization: the 'shamrock' and the federal.

The shamrock organization consists of three elements: 1) the core workers (the central leaf of the shamrock) – professionals, technicians and managers; 2) the contractual fringe – contract workers; and 3) the flexible labour force consisting of temporary staff.

The federal organization takes the process of decentralization one stage further by establishing every key operational, manufacturing or service provision activity as a distinct, federated unit.

ORGANIZATION STRUCTURE

Each of the members of the various schools was, in effect, commenting on the factors affecting organization structure as considered below.

Organization structure defined

All organizations have some form of more or less formalized structure which has been defined by Child (1977) as comprising 'all the tangible and regularly occurring features which help to shape their members' behaviour'. Structures incorporate a network of roles and relationships and are there to help in the process of ensuring that collective effort is explicitly organized to achieve specified ends.

Organizations vary in their complexity, but it is always necessary to divide the overall management task into a variety of activities, to allocate these activities to the different parts of the organization and to establish means of controlling, coordinating and integrating them.

The structure of an organization can be regarded as a framework for getting things done. It consists of units, functions, divisions, departments and formally constituted work teams into which activities related to particular processes, projects, products, markets, customers, geographical areas or professional disciplines are grouped together. The structure indicates who is accountable for directing, coordinating and carrying out these activities and defines management hierarchies – the 'chain of command' – thus spelling out, broadly, who is responsible to whom for what at each level in the organization.

Organization charts

Structures are usually described in the form of an organization chart. This places individuals in boxes that denote their job and their position in the hierarchy and traces the direct lines of authority (command and control) through the management hierarchies.

Organization charts are vertical in their nature and therefore misrepresent reality. They do not give any indication of the horizontal and diagonal relationships that exist within the framework between people in different units or departments, and do not recognize the fact that within any one hierarchy, commands and control information do not travel all the way down and up the structure as the chart implies. In practice, information jumps (especially computer-generated information) and managers or team leaders will interact with people at levels below those immediately beneath them.

Organization charts have their uses as means of defining – simplistically – who does what and hierarchical lines of authority. But even if backed up by organization manuals (which no one reads and which are, in any case, out of date as soon as they are produced), they cannot convey how the organization really works. They may, for example, lead to definitions of jobs – what people are expected to do – but they cannot convey the roles these people carry out in the organization; the parts they play in interacting with others and the ways in which, like actors, they interpret the parts they are given.

TYPES OF ORGANIZATION

The basic types of organization are described below.

Line and staff

The line and staff organization was the type favoured by the classical theorists. Although the term is not so much used today, except when referring to line managers, it still describes many structures. The line hierarchy in the structure consists of functions and managers who are directly concerned in achieving the primary purposes of the organization, for example manufacturing and selling or directing the organization as a whole. 'Staff' in functions such as finance, personnel and engineering provide services to the line to enable them to get on with their job.

Divisionalized organizations

The process of divisionalization, as first described by Sloan (1963) on the basis of his experience in running General Motors, involves structuring the organization into separate divisions, each concerned with discrete manufacturing, sales, distribution or service functions, or with serving a particular market. At group headquarters, functional departments may exist in such areas as finance, planning,

personnel, legal and engineering to provide services to the divisions and, importantly, to exercise a degree of functional control over their activities. The amount of control exercised will depend on the extent to which the organization has decided to decentralize authority to strategic business units positioned close to the markets they serve.

Decentralized organizations

Some organizations, especially conglomerates, decentralize most of their activities and retain only a skeleton headquarters staff to deal with financial control matters, strategic planning, legal issues and sometimes, but not always, personnel issues, especially those concerned with senior management on an across the group basis (recruitment, development and remuneration).

Matrix organizations

Matrix organizations are project based. Development, design or construction projects will be controlled by project directors or managers, or, in the case of a consultancy, assignments will be conducted by project leaders. Project managers will have no permanent staff except, possibly, some administrative/secretarial support. They will draw the members of their project teams from discipline groups, each of which will be headed up by a director or manager who is responsible on a continuing basis for resourcing the group, developing and managing its members and ensuring that they are assigned as fully as possible to project teams. These individuals are assigned to a project team and they will be responsible to the team leader for delivering the required results, but they will continue to be accountable generally to the head of their discipline for their overall performance and contribution.

Flexible organizations

Flexible organizations may conform broadly to the Mintzberg (1983b) category of an adhocracy in the sense that they are capable of adapting quickly to new demands and operate fluidly. They may be organized along the lines of Handy's (1989) 'shamrock' with core workers carrying out the fundamental and continuing activities of the organization and contract workers and temporary staff being employed as required. This is also called a core–periphery organization. An organization may adopt a policy of numerical flexibility, which means that the number of employees can be quickly increased or decreased in line with changes in activity levels. The different types of flexibility as defined by Atkinson (1984) are described in Chapter 14.

The process-based organization

A process-based organization is one in which the focus is on horizontal processes that cut across organizational boundaries. Traditional organization structures consist of a range of functions operating semi-independently and each with its own, usually extended, management hierarchy. Functions acted as vertical 'chimneys' with boundaries between what they did and what happened next door. Continuity of work between functions and the coordination of activities were prejudiced. Attention was focused on vertical relationships and authority-based management – the 'command and control' structure. Horizontal processes received relatively little attention. It was, for example, not recognized that meeting the needs of customers by systems of order processing could only be carried out satisfactorily if the flow of work from sales through manufacturing to distribution was treated as a continuous process and not as three distinct parcels of activity. Another horizontal process that drew attention to the need to reconsider how organizations should be structured was total quality. This is not a top-down system. It cuts across the boundaries separating organizational units to ensure that quality is built into the organization's products and services. Business process re-engineering exercises have also demonstrated the need for businesses to integrate functionally separated tasks into unified horizontal work processes.

The result, as indicated by Ghoshal and Bartlett (1993), has been that:

> … managers are beginning to deal with their organizations in different ways. Rather than seeing them as a hierarchy of static roles, they think of them as a portfolio of dynamic processes. They see core organizational processes that overlay and often dominate the vertical, authority-based processes of the hierarchical structure.

In a process-based organization there will still be designated functions for, say, manufacturing, sales and distribution. But the emphasis will be on how these areas work together on multi-functional projects to deal with new demands such as product/market development. Teams will jointly consider ways of responding to customer requirements. Quality and continuous improvement will be regarded as a common responsibility shared between managers and staff from each function. The overriding objective will be to maintain a smooth flow of work between functions and to achieve synergy by pooling resources from different functions in task forces or project teams.

ORGANIZATIONAL PROCESSES

The structure of an organization as described in an organization chart does not give any real indication of how it functions. To understand this, it is necessary to consider the various processes that take place within the structural framework: those of group behaviour, teamwork, leadership, power, politics and conflict, interaction and networking and communications.

Group behaviour

Organizations consist of groups of people working together. Interactions take place within and between groups and the degree to which these processes are formalized varies according to the organizational context. To understand and influence organizational behaviour, it is necessary to appreciate how groups behave. In particular, this means considering the nature of:

- formal and informal groups;
- the processes that take place within groups;
- channels of communication;
- task and maintenance functions;
- group ideology and cohesion;
- the concept of a reference group and its impact on group members;
- the factors that make for group effectiveness;
- the stages of group development;
- group identification.

Formal groups

Formal groups are set up by organizations to achieve a defined purpose. People are brought together with the necessary skills to carry out the tasks and a system exists for directing, coordinating and controlling the group's activities. The structure, composition and size of the group will depend largely on the nature of the task, although tradition, organizational culture and management style may exert considerable influence. The more routine or clearly defined the task is, the more structured the group will be. In a highly structured group the leader will have a positive role and may well adopt an authoritarian style. The role of each member of the group will be precise and a hierarchy of authority is likely to exist. The more ambiguous the task, the more difficult it will be to structure the group. The leader's role is more likely to be supportive – he or she will tend to concentrate on encouragement and coordination rather than on issuing orders. The group will operate in a more democratic way and individual roles will be fluid and less clearly defined.

Informal groups

Informal groups are set up by people in organizations who have some affinity for one another. It could be said that formal groups satisfy the needs of the organization while informal groups satisfy the needs of their members. One of the main aims of organization design and development should be to ensure, so far as possible, that the basis upon which activities are grouped together and the way in which groups are allowed or encouraged to behave satisfy both these needs. The values and norms established by informal groups can work against the organization. This was first clearly established in the Hawthorne studies, which revealed that groups could regulate their own behaviour and output levels irrespective of what management wanted. An understanding of the processes that take place within groups can, however, help to make them work for, rather than against, what the organization needs.

Group processes

As mentioned above, the way in which groups function is affected by the task and by the norms in the organization. An additional factor is size. There is a greater diversity of talent, skills and knowledge in a large group, but individuals find it more difficult to make their presence felt. According to Handy (1981), for best participation and for highest all-round involvement, the optimum size is between five and seven. But to achieve the requisite breadth of knowledge the group may have to be considerably larger, and this makes greater demands on the skills of the leader in getting participation. The term 'group dynamics' is sometimes used loosely to describe the ways in which group members interact, but properly it refers to the work of Lewin (1947). This was mainly concerned with the improvement of group processes through various forms of training, eg T-groups, team building and interactive skills training. The main processes that take place in groups as described below are interaction, task and maintenance functions, group ideology, group cohesion, group development and identification.

Channels of communication

Three basic channels of communication within groups were identified by Leavitt (1951) and are illustrated in Figure 20.1.

   The characteristics of these different groups are as follows:

● *Wheel groups*, where the task is straightforward, work faster, need fewer messages to solve problems and make fewer errors than circle groups, but they are inflexible if the task changes.
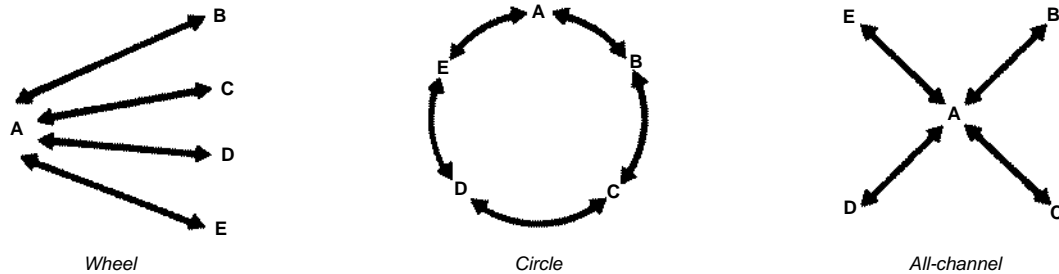
Figure 20.1 Channels of communication within groups

- *Circle groups* are faster in solving complex problems than wheel groups.
- *All-channel groups* are the most flexible and function well in complex, open-ended situations.

The level of satisfaction for individuals is lowest in the circle group, fairly high in the all-channel group and mixed in the wheel group, where the leader is more satisfied than the outlying members.

Task and maintenance functions

The following functions need to be carried out in groups:

- *task* – initiating, information seeking, diagnosing, opinion-seeking, evaluating, decision-managing;
- *maintenance* – encouraging, compromising, peace-keeping, clarifying, summarizing, standard-setting.

It is the job of the group leader or leaders to ensure that these functions operate effectively. Leaderless groups can work, but only in special circumstances. A leader is almost essential – whether official or self-appointed. The style adopted by a leader affects the way the group operates. If the leader is respected, this will increase group cohesiveness and its ability to get things done. An inappropriately authoritarian style creates tension and resentment. An over-permissive style means that respect for the leader diminishes and the group does not function so effectively.

Group ideology

In the course of interacting and carrying out its task and maintenance functions, the group develops an ideology which affects the attitudes and actions of its members and the degree of satisfaction which they feel.

Group cohesion

If the group ideology is strong and individual members identify closely with the group, it will become increasingly cohesive. Group norms or implicit rules will be evolved, which define what is acceptable behaviour and what is not. The impact of group cohesion can, however, result in negative as well as positive results. Janis's (1972) study of the decision-making processes of US foreign policy groups established that a cohesive group of individuals, sharing a common fate, exerts a strong pressure towards conformity. He coined the term 'group think' to describe the exaggeration of irrational tendencies that appears to occur in groups and argued that a group setting can magnify weakness of judgement.

To be 'one of us' is not always a good thing in management circles. A sturdy spirit of independence, even a maverick tendency, may be more conducive to correct decision-making. Team-working is a good thing, but so is flexibility and independent judgement. These need not be incompatible with team membership, but could be if there is too much emphasis on cohesion and conformity within the group.

Reference group

A reference group consists of the group of people with whom an individual identifies. This means that the group's norms are accepted and if in doubt about what to do or say, reference is made to these norms or to other group members before action is taken. Most people in organizations belong to a reference group and this can significantly affect the ways in which they behave.

Impact on group members

The reference group will also affect individual behaviour. This may be through overt pressure to conform or by more subtle processes. Acceptance of group norms commonly goes through two stages – compliance and internalization. Initially, a group member complies in order not to be rejected by the group, although he or she may behave differently when away from the group. Progressively, however, the individual accepts the norm whether with the group or not – the group norm has been internalized. As noted by Chell (1987), pressure on members to conform can cause problems when:

- there is incompatibility between a member's personal goals and those of the group;
- there is no sense of pride from being a member of the group;
- the member is not fully integrated with the group;
- the price of conformity is too high.

Group development

Tuckman (1965) has identified four stages of group development:

1. *forming*, when there is anxiety, dependence on the leader and testing to find out the nature of the situation and the task, and what behaviour is acceptable;
2. *storming*, where there is conflict, emotional resistance to the demands of the task, resistance to control and even rebellion against the leader;
3. *norming*, when group cohesion is developed, norms emerge, views are exchanged openly, mutual support and cooperation increase and the group acquires a sense of its identity;
4. *performing*, when interpersonal problems are resolved, roles are flexible and functional, there are constructive attempts to complete tasks and energy is available for effective work.

Identification

Individuals will identify with their groups if they like the other members, approve of the purpose and work of the group and wish to be associated with the standing of the group in the organization. Identification will be more complex if the standing of the group is good.

Teamwork

Definition of a team

As defined by Katzenbach and Smith (1993):

> A team is a small number of people with complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable.

Characteristics of effective teams

The characteristics of teams as described by Katzenbach and Smith are:

- Teams are the basic units of performance for most organizations. They meld together the skills, experiences and insights of several people.
- Teamwork applies to the whole organization as well as specific teams. It represents 'a set of values that encourage behaviours such as listening and responding co-operatively to points of view expressed by others, giving others the benefit of the doubt, providing support to those who need it and recognising the interests and achievements of others'.
- Teams are created and energized by significant performance challenges.
- Teams outperform individuals acting alone or in large organizational groupings, especially when performance requires multiple skills, judgements and experiences.
- Teams are flexible and responsive to changing events and demands. They can adjust their approach to new information and challenges with greater speed, accuracy and effectiveness than can individuals caught in the web of larger organizational conventions.
- High-performance teams invest much time and effort exploring, shaping and agreeing on a purpose that belongs to them, both collectively and individually. They are characterized by a deep sense of commitment to their growth and success.

Dysfunctional teams

The specification set out above is somewhat idealistic. Teams do not always work like that. They can fail to function effectively in the following ways:

- The atmosphere can be strained and over-formalized.
- Either there is too much discussion that gets nowhere or discussion is inhibited by dominant members of the team.
- Team members do not really understand what they are there to do and the objectives or standards they are expected to achieve.
- People don't listen to one another.
- Disagreements are frequent and often relate to personalities and differences of opinion rather than a reasoned discussion of alternative points of view.
- Decisions are not made jointly by team members.
- There is evidence of open personal attacks or hidden personal animosities.
- People do not feel free to express their opinions.
- Individual team members opt out or are allowed to opt out, leaving the others to do the work.

- There is little flexibility in the way in which team members operate – people tend to use a limited range of skills or specific tasks, and there is little evidence of multi-skilling.
- The team leader dominates the team; more attention is given to who takes control rather than to getting the work done.
- The team determines its own standards and norms, which may not be in accord with the standards and norms of the organization.

Team roles

The different types of roles played by team members have been defined by Belbin (1981) as follows:

- *chairmen* who control the way the team operates;
- *shapers* who specify the ways the team should work;
- *company workers* who turn proposals into practical work procedures;
- *plants* who produce ideas and strategies;
- *resource investigators* who explore the availability of resources, ideas and developments outside the team;
- *monitor-evaluators* who analyse problems and evaluate ideas;
- *team workers* who provide support to team members, improve team communications and foster team spirit;
- *completer-finishers* who maintain a sense of urgency in the team.

An alternative classification of roles has been developed by Margerison and McCann (1986). The eight roles are:

- *reporter-advisor:* gathers information and expresses it in an easily understandable form;
- *creator-innovator:* enjoys thinking up new ideas and ways of doing things;
- *explorer-promoter:* takes up ideas and promotes them to others;
- *assessor-developer:* takes ideas and makes them work in practice;
- *thruster-organizer:* gets things done, emphasizing targets, deadlines and budgets;
- *concluder-producer:* sets up plans and standard systems to ensure outputs are achieved;
- *controller-inspector:* concerned with the details and adhering to rules and regulations;
- *upholder-maintainer:* provides guidance and help in meeting standards.

According to Margerison and McCann, a balanced team needs members with preferences for each of these eight roles.

Leadership, power, politics and conflict

The main processes that affect how organizations function are leadership, power, politics and conflict.

Leadership

Leadership can be defined as the ability to persuade others willingly to behave differently. The function of team leaders is to achieve the task set for them with the help of the group. Leaders and their groups are therefore interdependent.

Leaders have two main roles. First, they must achieve the task. Secondly, they have to maintain effective relationships between themselves and the group and the individuals in it – effective in the sense that they are conducive to achieving the task. As Adair (1973) pointed out, in fulfilling their roles, leaders have to satisfy the following needs:

1. *Task needs.* The group exists to achieve a common purpose or task. The leader's role is to ensure that this purpose is fulfilled. If it is not, they will lose the confidence of the group and the result will be frustration, disenchantment, criticism and, possibly, the ultimate disintegration of the group.
2. *Group maintenance needs.* To achieve its objectives, the group needs to be held together. The leader's job is to build up and maintain team spirit and morale.
3. *Individual needs.* Individuals have their own needs, which they expect to be satisfied at work. The leader's task is to be aware of these needs so that where necessary they can take steps to harmonize them with the needs of the task and the group.

These three needs are interdependent. The leader's actions in one area affect both the others; thus successful achievement of the task is essential if the group is to be held together and its members motivated to give their best effort to the job. Action directed at meeting group or individual needs must be related to the needs of the task. It is impossible to consider individuals in isolation from the group or to consider the group without referring to the individuals within it. If any need is neglected, one of the others will suffer and the leader will be less successful.

The kind of leadership exercised will be related to the nature of the task and the people being led. It will also depend on the environment and, of course, on the actual

leader. Analysing the qualities of leadership in terms of intelligence, initiative, self-assurance and so on has only limited value. The qualities required may be different in different situations. It is more useful to adopt a contingency approach and take account of the variables leaders have to deal with; especially the task, the group and their own position relative to the group.

Power

Organizations exist to get things done and in the process of doing this, people or groups exercise power. Directly or indirectly, the use of power in influencing behaviour is a pervading feature of organizations, whether it is exerted by managers, specialists, informal groups or trade union officials.

Power is the capacity to secure the dominance of one's goals or values over others. Four different types of power have been identified by French and Raven (1959):

- *reward power* – derived from the belief of individuals that compliance brings rewards; the ability to distribute rewards contributes considerably to an executive's power;
- *coercive power* – making it plain that non-compliance will bring punishment;
- *expert power* – exercised by people who are popular or admired and with whom the less powerful can identify;
- *legitimized power* – power conferred by the position in an organization held by an executive.

Politics

Power and politics are inextricably mixed, and in any organization there will inevitably be people who want to achieve their satisfaction by acquiring power, legitimately or illegitimately. Kakabadse (1983) defines politics as 'a process, that of influencing individuals and groups of people to your point of view, where you cannot rely on authority'.

Organizations consist of individuals who, while they are ostensibly there to achieve a common purpose, are, at the same time, driven by their own needs to achieve their own goals. Effective management is the process of harmonizing individual endeavour and ambition to the common good. Some individuals genuinely believe that using political means to achieve their goals will benefit the organization as well as themselves. Others rationalize this belief. Yet others unashamedly pursue their own ends.

Conflict

Conflict is inevitable in organizations because they function by means of adjustments and compromises among competitive elements in their structure and membership. Conflict also arises when there is change, because it may be seen as a threat to be challenged or resisted, or when there is frustration – this may produce an aggressive reaction; fight rather than flight. Conflict is not to be deplored. It is an inevitable result of progress and change and it can and should be used constructively.

Conflict between individuals raises fewer problems than conflict between groups. Individuals can act independently and resolve their differences. Members of groups may have to accept the norms, goals and values of their group. The individual's loyalty will usually be to his or her own group if it is in conflict with others.

Interaction and networking

Interactions between people criss-cross the organization, creating networks for getting things done and exchanging information, which is not catered for in the formal structure. 'Networking' is an increasingly important process in flexible and delayered organizations where more fluid interactions across the structure are required between individuals and teams. Individuals can often get much more done by networking than by going through formal channels. At least this means that they can canvass opinion and enlist support to promote their projects or ideas and to share their knowledge.

People also get things done in organizations by creating alliances – getting agreement on a course of action with other people and joining forces to get things done.

Communications

The communications processes used in organizations have a marked effect on how they function, especially if they take place through the network, which can then turn into the 'grapevine'. E-mails in intranets encourage the instant flow of information (and sometimes produce information overload) but may inhibit face-to-face interactions, which are often the best ways of getting things done.