Paradoxes of Organizational Effectiveness

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Organizations are the primary means through which individuals affect society and the primary means through which society affects individuals. To use the language of economics, societies and individuals are principals of sorts and organizations are agents between these principals. Ultimately, of course, individuals comprise society, but for purposes of our discussion we will assume that individuals comprise society in a fashion similar to the way cells comprise the human body. Societies and individuals can thus both be considered as systems to be studied independently.

Talcott Parsons wrote this about organizations: “the development of organizations is the principal mechanism by which, in a highly differentiated society, it is possible to ‘get things done’, to achieve goals beyond the reach of the individual (1960:41). Organizations also greatly affect the lives of individuals (Argyris, 1959). An individual may simultaneously have numerous relationships with various companies. From the vantage point of the organization, a person may be an employee, customer, investor, partner, consultant, perhaps even a plaintiff or part of its governance.

Some organizations meet public needs, such as police work, firefighting, or government agency. Some are civic in nature, attending to such important matters as neighborhood watch, charitable giving, or service opportunities. There are organizations comprised of people who wish to influence other public or private organizations, such as environmental groups, those who fight for the right to bear arms, or those who protest a government policy. Then, of course, there are for-profit organizations which make, sell or distribute products or services, considered valuable enough to purchase, by members of the society.

The purpose of the paper is to propose a priority model of organizational effectiveness, a model applicable to organizations of all types, from for-profit to charitable. This model assumes that the four accepted approaches to organizational effectiveness can be combined to create one that covers the organizational landscape from the system level to that of individuals within the organization. These four models are: open systems theory, rational goal orientation, internal processes and human relations (Quinn and Rohrbaugh, 1983).

Scott (1998) suggests that effectiveness models must address organizational outcomes, processes and structure. By overlaying Scott’s categories on the collapsed models of Quinn and Rohrbaugh, we have derived what we will call points of tension from the macro-level to the micro-level of organizations. These points of tension are shown below.

Outcomes/External Processes

System

(1) self-absorption versus contextual identification
(2) avoidance of death versus pursuit of life

Goals

(3) backward-looking versus forward-looking view of effectiveness
(4) cost avoidance versus possibility exploration
(5) output maintenance versus output innovation

Outcomes/Internal Processes

(6) process control versus process flexibility
(7) structural integrity versus structural adaptability

Outcomes/Human Relations

(8) authority-relationship enforcement versus authority-relationship extension
(9) role definition versus role examination
(10) performance rigidity versus performance expression
(11) individual self-absorption versus organizational citizenship

Swanson (1999) cites the need for a theory of corporate values. It is our belief that such a theory should deal with points of tension that exist across most forms of organization. The primary thesis of this paper is that irrespective of the nature of the organization, there are important points of tension within them, which we have identified and will discuss. These points of tension radiate out from the core of organizations, if by core we mean where the purposes of the organization are derived. Although thinking of the organization as having a core with concentric circles radiating out from it might be somewhat more accurate as a metaphor, perhaps we should use the language more familiar to organizations and speak of their values or seats of purpose as being at the top.

"Top", used this way, connotes power, prestige, money, being above the fray, and where key decisions are made. We have two reasons for using the expression, "top". One is to distinguish the "top" as the area where the core values of the organization reside and the second reason is to portray those values as cascading down across successively lower levels of the organization, fed as it were by a type of gravity.

Another way of saying the same thing is to refer to each of the levels as representing a type of potential entropy: (1) vision, (2) system, (3) strategic, (4) resource, (5) product/service, (6) process, (7) structure, (8) authority relationships, (9) role, (10) performance, and (11) human. That is to say, the organization will tend to fall apart or deteriorate in one or more of these ways without attention to each, and that those at the top, beginning with vision, have a way of "contaminating" those at the lower level when the "lefthand" value is pervasive and to helping to achieve negative entropy when the "righthand" value is prominent.

These are the labels we have chosen for the "points of tension". We will now describe the nature of the issues involved in these tension points, and detail what we believe to be the implications for the firm that tends toward one side or the other on the various continua represented at the eleven levels.

The Nature of Cascading Values

Values emanate from the top (collective or macro-level) and to the bottom (individual or micro-level) (Schuh, Zhang, Egold, Graf1, Pandey and van Dick, 2012). These values issue from individual thought and collective sensemaking regarding the purposes of the organization. Although the points of tension will be expressed as decisions between two options, it will be assumed that an organization may vary along a continuum with respect to its position on the issue involved in the point of tension and also that it is not one decision per se that determines the organization's position, but rather the tendency for decisions to be made in a way that favors one pole on the continuum over the other.

It is also assumed that the answer to questions regarding the position of the organization on the most macro issues will influence its position on subsequent questions as one moves toward micro issues. This is assumed to occur because the values expressed at the macro level create a context for the perspectives at the increasingly micro levels.

Values not only influence decisions and perspectives, but they also serve as a type of informal clarification of organizational incentives. As Kerr (1973) pointed out, organizations create formal, announced reward systems that are often at odds with the informal incentive system as shaped by values issuing from the top of the organization.

"Managers consistently report that the actions of their bosses are the most important factor influencing ethical and unethical behavior in their organizations. Given this fact, the values of those in middle and upper management should have a significant bearing on the entire climate within an organization." (Posner and Schmidt, 1992, p 86). This downward value influence affects not only the ethical climate of the organization, but safety, humane treatment of associates, or anything else that might be considered less expedient than that which is considered absolutely necessary for the organization's self-preservation.

This top-down influence flows down through the chain of command to the lowest-ranking associates. However, it is no doubt overstating the case to say that lower-level managers will be entirely in the control of those at the top due to this cascading influence. Even limited exposure to organizations reveals a type of tension that accompanies top-down influence, caused by resistance from below due to the perceived disagreement of the nature of the values emanating from above (Barnard, 1938), with the perceived self-interest of those at the lower levels. A recent example of this tension is the phenomenon of middle-level managers resisting the movement toward teamwork in organizations. Nonetheless, the natural influence direction in organizations is downward and not upward, since power tends to determine the source of influence and power resides at the top.

Notice that the cascading values may have bearing on procedures, policies, or sometimes, ethical frames of reference. To be more precise in our treatment of the effects of these values, we have attempted to break organizations down from top to bottom in terms of the issues faced by those who influence the broadest aggregate all the way to those whose influence is local within the organization. Let us now consider the points of tension beginning with the issue most fundamental to all the others.

Self-Absorption versus Contextual Identification

The most obvious thing about this first point of tension is that it is not expressed in the language of for-profit business. If one were to use language of business, this issue might be best expressed as strict profit maximization versus contribution to society. General terms permit the model to be applied to philanthropic, governmental, or non-governmental organizations. As we continue we will tend to use the language of for-profit business and draw our examples from there, bearing in mind that other organizations experience similar points of tension.

For some it may seem heretical to propose that for-profit business could ever be concerned with anything other than profit. Publicly-traded firms have shareholders and private businesses in general have investors, those whose money is at risk. The fundamental conception of industrial capitalism is that those who own the means of production hire managers to oversee the concern and that these managers will seek to maximize the owner's return on investment. The relationship between capitalists and managers is more complex than the foregoing expression of it will admit, however.

First of all, with executive and employee stock ownership, owner-operator businesses, and corporate governance, the lines between owner and manager can be quite blurry. Investors are speculators, not exactly owners. Secondly, managers of most large organizations have their compensation tied, either explicitly or implicitly, to the firm's performance, which means the interests of the manager are often quite similar to those of the investors or shareholders, even in the absence of managerial stock ownership. Thirdly, publicly traded organizations have not tended to pay dividends in the last several years, but rather have tended to be considered worthwhile investments due to increases in the value of their stock, which means stock price has come to replace profit as the ultimate criterion by which business success is measured.

However, we are asserting that those who manage organizations have less direct control over stock price and profit than is assumed by a classic capitalist model of business, and that in the long term it may well be healthier for managers to focus not on profit or stock price, but rather on what the organization must do to create value for the society in which it exists. The reason for this assertion is that it is my belief that only through a continued positive contribution to society can an organization remain profitable, increase in value in the stock market, or to put it in more general terms, be healthy as an organization. In this case, we will define organizational health as its prospects for long-term success. Stock prices or dividend payments are nothing more than evidence of such health, but the health itself can never be so narrowly defined.

Notice the values articulated to all organizational constituents when a company overtly announces its intentions to meet one or more needs of society.

The firm is saying that it has a purpose beyond mere existence, that it is operating with not just its own health in mind, but also that of other organizations and members of society, and that it intends to reduce to zero the societal problems it creates and to increase as much as possible its capacity to solve societal problems for which it is equipped.

A good example of this type of approach to business would be an automobile manufacturer taking its own money and seeking to innovate in the area of alternatives to the fossil-fuel burning internal combustion engine. Clearly, if they were successful in such an endeavor, the company expects to make a profit, but notice that the risk they are taking was in the direction of solving a societal problem as opposed to the more commonly seen risks of the creation of a new type of combustion engine or tampering with the aerodynamics of the car to increase gas mileage.

What we are proposing here is that there is a paradox inherent in the management of firms, which can be articulated as: total emphasis on profit, increased stock price or some other direct financial measure of organizational health, will not always result in the outcomes desired, and will likely be inferior in this regard to emphasizing contributions deemed valuable by the society, delivered in a way that is sensitive to the context in which the organization exists. Swanson (1999) referred to this as normative myopia, implying that often those at the top of organizations lacked socially-redeeming values, or that the values they held were near-sighted in terms of their social implications.

Consider some possible reasons for such a paradox. First of all, organizations enact the environments within which they exist (Miles and Snow, 1978). Selfish behavior by individuals or organizations leads to a type of social insensitivity that is best described as ignorance. These selfish individuals or organizations are ignorant (or at least behave as if they are ignorant) of the extent to which their self-absorption denies the significance of the role of other interests in making their existence possible at all. It is as if they believe they are independent, freely acting, entities with no support from the environment, other organizations or individuals in society. Such a belief is obviously quite far from reality and is testimonial to a dangerous arrogance.

The self-absorbed, or organizations that perceive themselves as closed system, (the same can be said of individuals) send out the message that they see their fate as independent of the fate of other individuals or organizations, which is perhaps the most dangerous form of ignorance. In truth, every organization’s or individual’s fate is inextricably linked to that of others in the environment. It is perhaps ironic or surprising, but only through a contribution to the health of the society around them, can individuals or firms hope to ensure their own health. It is not difficult to picture John Mansville, the company, an asbestos manufacturer, figuratively lying in a hospital bed dying of asbestosis, or to picture Phillip Morris, the company, spitting up metaphorical blood from lung cancer it has contracted from cigarette smoke. On the other hand, it is not hard to think of Johnson and Johnson, the makers of Tylenol who cleared their shelves of millions of dollars worth of product to protect the health of consumers; walking along the corporate-life equivalent of a sandy beach, hand-in-hand with its grandchildren and at peace with its maker.

Another reason self-absorption, or a focus strictly on profit, may actually undermine an organization’s opportunities for long-term profitability, is because of the message such an approach sends to those who are members of the organization. That is to say, the value of self-absorption can act like a poison flowing down from the top of the firm to coat everything below it. As we will see, the next issue to be discussed will be influenced by the organization’s position on this one of self-absorption versus contextual identification. Since associability or successful collective action is a requirement of the effective organization, it would be foolhardy for a company to harbor or espouse self-absorption and denial of its place in the context of an ecology of other organizations, while at the same time, requesting of its associates that they not be self-absorbed in their approach to contributing to the organization’s valued outcomes.

Incentives at each level affect the level below it, beginning with the vision and working “down” to the human level. If the vision of the organization deteriorates from being one of a contribution to society, to one of strictly maximizing profit, every level of the organization below will be biased toward a type of entropy. The organization will find that it is increasingly a menace to the ecology within which it exists, which may not elicit a harsh environmental reaction at first, but will likely do so in the long run.

The organization may be said to enact an environment filled with toxicity toward its own interests, owing to its ongoing insensitive stance toward that environment. And the organization will tend to be toxic internally as well, setting an intolerable precedent at the level of its vision that will cascade down through all levels below to that of the individual.

Consider the Enron case in California. "Enron's mistake was that it thought it could continue to fleece California," said Michael Shames, head of the Utilities Consumers Action Network. 'But once the state cut off the cash that fed Enron's voracious appetite, the company had to find other sources.' There wasn't another field as rich and vulnerable as California, however. 'When the spigot got turned off here," Shames said, "the firm started to collapse,'" (Sharp, 2002).

Enron's activity in the California utility market is a classic case of a company self-absorbed and completely given over to profit maximization rather than finding a way to serve the needs of California's citizens with affordable electricity. If Enron had been able to identify with the needs of those they were seeking to serve, the result may have been lower profits in the short term, but such a vision would have given Enron a chance to continue as a supplier for years to come.

How does it happen that values "cascade down" to help "create a culture"? Some have suggested that culture creation occurs in three ways. First founders hire and keep only employees who think and feel the same way they do. Second they indoctrinate and socialize these employees to their way of thinking and feeling. Third the founders' own behavior acts as a role model that encourages employees to identify with them and thereby internalize their beliefs, values, and assumptions (Hambrick and Mason, 1984; Niehoff, Ens and Grover, 1990).

Pursuit-of-Life versus Avoidance-of-Death

If the first point of tension within the organization is that of vision, the second might best be called the level of the system. Boards of directors, executive directors, and other high-level decision making groups are responsible for the vision of the organization. If this vision is closer to self-absorption, approaching a closed-system perspective, than it is to identification with the environment or context within which the organization operates, the organization will tend toward the avoidance of death rather than the active pursuit of life.

Why is pursuit of life versus avoidance of death the next point of tension? This is perhaps best understood by using the physics and engineering term, entropy. Systems naturally run down, become disorganize, in other words they die, unless action is taken to forestall such decline. Under the influence of the value of self-absorption, those making decisions on behalf of the system will see only the system's current and perhaps it previous condition with respect to resources necessary to ward off entropy.

In the short story To Build a Fire, Jack London has his character turn off the main trail and into peril. Here is what London has to say about the man:

"But all this--the mysterious, far-reaching hairline trail, the absence of sun from the sky, the tremendous cold, and the strangeness and weirdness of it all--made no impression on the man. It was not because he was long used to it. He was a new-comer in the land, a chechaquo, and this was his first winter. The trouble with him was that he was without imagination. He was quick and alert in the things of life, but only in the things, and not in the significances. Fifty degrees below zero meant eighty odd degrees of frost. Such fact impressed him as being cold and uncomfortable, and that was all. It did not lead him to meditate upon his frailty as a creature of temperature, and upon man's frailty in general, able only to live within certain narrow limits of heat and cold; and from there on it did not lead him to the conjectural field of immortality and man's place in the universe. Fifty degrees below zero stood for a bite of frost that hurt and that must be guarded against by the use of mittens, ear-flaps, warm moccasins, and thick socks. Fifty degrees below zero was to him just precisely fifty degrees below zero. That there should be anything more to it than that was a thought that never entered his head." [London, Jack. (1908). Century Magazine, v76, August.]

London's character is "a new-comer in the land", he is unable to discern the significance of the cold to him or "man's place in the universe". London uses the story to describe people who know things about themselves and things about their environment on a certain level, but who do not know the significances of things and what the implications of the environment are for them. Organizations can be this way too. Consider the case of the Segway People Mover. Segway hired lobbyists to visit state capitols pressing for legislative support for the Segway on sidewalks.

This is an unusually aggressive way to market a product that was destined to cause controversy because of safety concerns. Cities and states were correctly identified by Segway as necessary allies if this scooter was to ever be permitted on the streets where it was designed to be ridden. Segway foresaw that they would be subject to lawsuits for injuries created and for attack from city and state governments for creating a public nuisance. This is an example of an organization so self-absorbed, so determined to force a change in mass transportation, that they were blinded to the ways that the technology might never be sensible for urban pedestrian traffic. Segway LLC was seeking to keep governments from killing the project before it could begin to live, rather than creating a product that would be demanded by people for its contribution to their lives. Their self-absorption and focus on profit rather than identification with a solution to urban traffic, led to an inordinate fear of death, rather than a pursuit of a viable existence. If the message communicated downward from the vision level to the system level is that the only thing that matters is the organization's profit, such an organization may be deluded as to the nature of its own long-term survival needs, being blind to the fact that it ultimately exists more because of a relatively hospitable environment than its own infallibility. Organizations forgetting or not comprehending this principle of contribution will be biased toward short-term rather than long-term survival without being aware of such a danger.

Backward-Looking Versus Forward-Looking View of Effectiveness

Organizations biased toward profit maximization will focus on short-term survival rather than long-term viability, with or without awareness of it, and may as a result also focus strictly on goal attainment failing to continue the process of improving or correcting these goals over time. One reason for this rigid over-concentration on the same goals is due to the fact that self-absorption and the felt need for profit maximization will cause the company to pay more attention to positive feedback than to negative feedback, more attention to past plans and their successes and less to current challenges and plans for future successes, to more often surround themselves with yes people rather than those who might provide critical analysis.

Positive feedback gives the organization affirmation only, saying this is what we are trying to do and this is how well we did with respect to that goal. Negative feedback, on the other hand, provides the organization with information that will allow for course correction, a way to alter the goals while at the same time determining whether the goals have been met or not.

Organizations that identify with their environment, who seek to continually stay abreast of the needs of those they are serving will proactively seek negative feedback from these important constituents. Positive feedback, which actually sounds better, is not nearly as valuable to course correction as negative feedback, (which sounds worse). Positive feedback comes from normal assessment of goal attainment. Negative feedback comes from unusual measures taken to learn what you have done wrong, why you did it wrong, and what should be done to correct what you are doing, either by changing what you do (efforts) or what you are trying to do (goals).

Food Lion and ABC news both failed to understand the importance of looking for more than just what you are doing right, as you proceed toward your goals. Food Lion won a $5.5 million judgment against ABC News for an undercover Prime Time Live news story that portrayed malfeasance on the part of Food Lion employees (Lynch, 2001). Food Lion new it was in the right with the lawsuit because ABC News had blundered by knowing that it was in the right to bring out the case against Food Lion. Both companies were unable to see where they were wrong, Food Lion to fool consumers and ABC news to fool Fool Lion into cooperating in a story against itself.

Cost Avoidace versus Possibility Exploration

Organizations that do not continuously adjust their goals and their means to achieve those goals, will tend to adopt an ultra-conservative, strict, literal, close-to-the-vest stance toward the usage of such resources as time, technology, information and people. They will seek to do everything in the shortest amount of time possible, with a minimum of technology, using the information most easily and inexpensively obtained and employing only the bare minimum of people.

This tendency and its dangers were well articulated by Lawson (2001):

"As a relentless organizational goal over the last two decades, efficiency has been used to justify all forms of efforts to create lean, mean business machines. The rationale is typically some variation on global competition and/or short-term financial accountability, and the targets for cost cutting are any organizational resources not fully engaged at all times.

Resources necessary to create the capabilities touted as most important to organizations of the future flexibility, innovation, learning--are being eliminated. Rather than continue in the direction of ignoring the future for the sake of the present, it is important to remember why resources that are not fully committed to immediate organizational output are not only valuable, but often essential.

Many dramatic examples of the dangers of cutting organizational muscle along with the fat have come from high-profile disasters. The information necessary to avoid the 1979 Three Mile Island nuclear-power plant accident in Pennsylvania was known, but time was not taken to use the available knowledge.' More recently, the 1999 nuclear accident in Takaimura, Japan, has been linked to shortcuts in training and safety activities in response to pressures to increase uranium fuel production.2 In healthcare, the extraordinary number of accidental deaths caused by prescribed medications is being traced to overstressed people and systems.3

That organizations expect to do more work with fewer people while employing increasingly complex technologies suggests that we do not understand the future we are creating. The organizational efforts needed to deal with the pace and complexity of technology and information are human-intensive, and require time to process and reflect, to learn from experience, and to anticipate consequences where possible. In some instances, such efforts involve redundant systems that will allow early detection and instantaneous response to interactions that cannot be predicted. These activities require people and systems that are not fully committed to short-term output-the same resources often targeted for organizational downsizing. One reason these resources are so easily eliminated may be that their results tend to be invisible in the short run, but may take the form of prevention, learning, and knowledge in the long run.

Increasing organizational responsiveness to ever-changing environments requires more, not fewer, resources dedicated to monitoring and processing vast and complicated information. Constant innovation means building in time to think and to learn-and to fail. When businesses announce large-scale layoffs in the hope of increasing organizational flexibility and innovation, they are ignoring what we know about the value of organizational slack-that it is increasingly critical to organizational survival.” (p. 1, footnotes in original)

Output Maintenance versus Output Innovation

Those organizations that seek to get by on the minimum amount of all resources are more likely to think in terms of the maintenance of their current array of products and services as opposed to taking steps to assure that the products and services they currently have will be viable in the future and that their product/service mix meets evolving expectations of customers. So much concern over the efficient use of resources may send the message that product/service innovation is not as important as product/service maintenance.

Downsizing is one example of organizations that seek to reduce human resources to the bare minimum rather than innovating new products and successfully marketing these products. This is the point being made by Rayburn and Rayburn (1999), in the following quote: “Instead of downsizing, there may be other ways to enhance competitiveness by cutting costs elsewhere, introducing new products, or entering new markets. Creating new markets for a company's products and services may expand a company's need for a larger workforce. American businesses need to recognize that continuous improvement efforts are essential to enhancing competitiveness.” (p. 53)

Process Control versus Process Flexibility

Firms that become conservative with regard to product/service mix may run the risk of sending a message to those in charge of processes that it is more important to monitor the outcomes of processes than it is to support their continued improvement and flexibility.

Here is a discussion of this issue by Kuratko, Gooddale and Hornsby (2001):

“Product flexibility addresses the firm's ability to handle difficult, nonstandard orders; to meet special customer specifications; and to produce products characterized by numerous features, options, sizes, and/or colors. Process flexibility (product mix flexibility) addresses the firm's ability to produce small quantities of products cost efficiently so that changes in product mix are easy to accommodate. Tangential to these two types of flexibility, volume flexibility addresses the firm's ability to rapidly adjust capacity in order to accelerate or decelerate production in response to changes in customer demand. Chaganti, Chaganti, and Mahajan (1989) identified product scope as the relative breadth of the firm's product line.

Thus, product flexibility clearly maps well to their product scope, and process flexibility has some overlap with product scope. It could be argued that small business managers that compete with flexibility would employ quality strategies and tools that facilitate the ability to design and produce a variety of items. Therefore the main exploratory proposition is: of the quality strategies and tools considered by smaller entrepreneurial firms, the most used and most useful strategies and tools will include ones that promote flexibility in product, process, and volume in order to facilitate competition with strategies that focus on product and service scope." (p. 296)

Process control is a necessary but not sufficient condition for organizations to continuously improve. It is important for organizations to have control over processes and to have flexible processes at the same time, that is, using the same process to produce multiple products or deliver more than one service.

Structural Integrity versus Structural Adaptability

Companies that seek merely to produce quality products and services rather than seeking to improve the processes that produce these products and services may well find themselves defending their current structural arrangement rather than seeking to add value to it. Existing departments and lines of communication may be seen as adequate for the future and not in need of continuous review.

Perhaps the most often cited example of an adaptive structure is that of a network. A notion that threatens to explode our definition of organizations in general, is that of the vertically disaggregated network. Rather than being one organization, such a firm becomes a network of units. Walker (1997) describes the structure: "The vertically disaggregated network firm is able to generate the highest levels of performance in its individual functional units while maintaining maximum flexibility for the system as a whole.

Authority-Relationship Enforcement versus Authority Relationship Extension

Companies that are satisfied with existing departments and lines of communication could fall into the trap of seeking to preserve territories or authority relationships as opposed to adjusting them to meet evolving requirements of a continuously adjusted structure. Decentralized or participative decision making, empowerment, and autonomous work teams, are examples of ways organizations have sought to redefine authority relationships.

Bureaucratic structures, centralized decision making, tall organizations with tight control over vertical communication, often seem safer, more manageable alternatives to those charged with organizational control. The thinking often is that those who are responsible only make life more difficult for themselves and those in their authority if they separate authority from responsibility.

Is it not the case that in organizations where a reverential view of authority relationships is taken, from the standpoint of the person who is under the authority of another, that most managers will put greater emphasis on their role as subordinate, or even their role as the peer of other managers, than they do on their role as manager (going back to Likert's Linking Pin notion)? That is, in organizations where authority relationships are considered sacrosanct, or where what might be called a conservative view of authority is taken, will the expectation not be that most of the effort to make the relationship successful will be considered the rightful territory of the subordinate person? And in organizations that take an "untraditional" or "more flexible" view of authority relationships, are we not apt to find that more of the responsibility for making the manager-subordinate relationship work well, will be on the shoulders of the manager? That is, will the manager not be more likely to take steps to be sensitive to what will make the manager-subordinate relationship productive. In this case, is it possible that managers will spend less time ingratiating themselves with managers above them and more time trying to "work things out" with their subordinates? [see role definition below for more discussion of this idea]

We have looked at the manager and subordinate's viewpoint of authority and its possible relationship to effectiveness. Is it possible charisma has an ethical component? Are unethical leaders more likely to use their charisma to enhance power over followers? Could it be that ethical leaders use their charisma in a socially constructive way to serve others (Howell and Avolio, 1992).

Role Definition versus Role Examination

Organizations biased toward the status quo with respect to authority relationships may be less likely to reinvestigate the essential nature of the roles being played across the firm. For example, will the tendency to incite conflict from the subordinate role, be considered insurbordination as opposed to a normal role expectation?

Functional conflicts are those that support the goals of the group and improve its performance. A company that suffered because it had too little functional conflict was General Motors. In a Fortune magazine article, Loomis 1993, talks about GM hiring men who were “yes men”, so loyal to GM that they never questioned company actions. Managers were homogenous: conservative white males raised in the Midwestern US who resisted change.

Comparisons of 6 major decisions made during the administration of 4 different US presidents found that conflict reduced the chance that groupthink would overpower policy decisions. Conformity among presidential advisors was related to poor decisions, where conflict and critical thinking surrounded well-developed decisions (Janis, 1972).

There seems to be a difference in successful managers and effective managers. Successful managers is defined in terms of the speed of promotion within their organization. Effective managers were defined in terms of the quantity and quality of their performance and the satisfaction and commitment of their employees (Robbins, 2002). Successful managers spent 48% of their time networking and 28% communicating, while effective managers spent 11% networking and 44% communicating. In this case, communication means exchanging routine information and processing paperwork, and networking means socializing, politicking, and interacting with outsiders.

Is it possible those successful managers who we often look up to and admire don't really give us a good role example to go by. Both types of managers are spending time in communication but the “success” oriented manager is talking to “influential” people, whereas the “effective” manager is more likely to spend his or her time talking to people below him or her, or people necessary to “get the job done”. When we encourage “successful” managers we may also be encouraging “ineffectiveness”. Lower level managers have learned what it takes to be rewarded in their system, a phenomenon easily explained by social learning theory (Bandura, 1977).

Performance Rigidity versus Performance Expression

A conservative stance toward role evolution may lead the company to be less likely to adjust performance requirements within each role as it becomes necessary. It has been shown that employee motivation and satisfaction can be manipulated by even subtle actions such as a co-worker or boss commenting on the existence or absence of job features such as difficulty, challenge, and autonomy (Thomas, 1983; Zalesny and Ford, 1990; Meyer, 1994; Klein, Katherine J., Conn, Amy B., Smith, D. Brent & Sorra, Joann S., 2001).

Pech (2001) points out the problems that ensue during times of cost cutting. Performance rigidity is often the result of a culture of performance conservatism emanating from corporate economic conservatism.

Individual Self-Absorption versus Organizational Citizenship

And finally, this reluctance to review performance requirements may lead to too little reflection on personnel requirements, so that the staffing needs meet a fluctuating demand. This inflexible view of staffing is what leads to booms and busts in employment, periods of high demand for labor dotted by episodes of downsizing.

The terms self-fulfilling prophecy, or *pygmalion effect*, have evolved to characterize the fact that people's expectations determine their behavior. In other words, if a manager expects big things from his people, they're not likely to let him down. Similarly, if a manager expects people to perform minimally, they'll tend to behave so as to meet those low expectations. The result then is that the expectations become reality (Eden, 1990).

Could this be construed to apply to subordinates who see the top of the organization behaving in a self-absorbed, profit only, avoidance of death way, and begin to behave that way due to these sometimes subtle expectations that come down to them from above, and might it not be that this change in the person will be slow and little noticed by him or her, until it had become quite large, and sometimes hard to trace back to the cause of “cultural expectations”?

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