Thinking "I" And "The Company" Were the Same

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Abstract

The main objective of this paper is not only to explain and discuss managerial problem known as „I and company are the same", but also to propose adequate solution that will be beneficial for managers in their practice. By using literature review methodological approach, several factors that are strongly related to this problem have been identified. Beside power and influence as important factors to consider, there are so called „shadows that leaders fail to recognize", that are responsible for misleading manager to the point where he identify company by himself. At the end, there are guidelines based on specific literature which are useful for avoidance and solving this problem.

Keywords: Management, Leadership, Power, Influence, Mistake.

Introduction

Intention of this paper was to emphasize both, the positive and negative side of leadership in business by paying special attention to the later. To realize this, literature review has been prepared and the work was divided into three parts. Since topic is closely related to companies, and this essay is not only about management, but about leadership as well, in the first part of reflection paper, differences and also inseparable linkages between leaders and managers were emphasized. For one company, having a good manager is of great importance, but having a leader is its competitive advantage. In the second part you will be able to discuss the power as strength and power as threat for a company. This issue leads to two faces of leadership, positive one, and dark one. In the last, third part, we explained how dark side of using power can lead to the point when manager thinks that he/she and company were the same. This point is example of mature stage of improper usage of power in business, and it represents huge managerial failure. Also, this paper proposes solutions and advices for how to avoid such a failure, and how to become great manager by being a good leader.

Literature Review

Paper written by Patrick A. Duignan (1988) is paper that discusses management as an art or a science? This article argues very strongly that management is, in fact, an art, and raises interesting distinctions between management and leadership. Maybe the most important part of his work which contributes to this paper is sub title „Management and Organisational Structures Can and Should Facilitate Leadership" in which he stated that through the organisational structures, and the management processes and procedures, leadership act finds concrete expression (Patrick A Duignan, 1988).

Leadership is present in all aspects of management. Sonny Nwankwo and Bill Richardson (1996) discussed Quality management through visionary leadership and concluded that visionary leaders focus on quality, and exemplify the critical leadership competence in quality management, as a basis for successful strategic development (Sonny Nwankwo and Bill Richardson, 1996).

Inseparable linkage of leadership and management has been discussed always and from various perspectives of different authors. However, some concepts remained unclear. From 1988, we go to new literature written after second millenium (after 2000) and see this fact in reality.

Hester Nienaber (2010) wrote a paper with purpose to explore the concepts of management and leadership. He founf through literature review that the concepts of management and leadership are intertwined. Accordingly, the word "management" has French and Italian roots, while the word "leadership" has Greek and Latin roots. He stated that in essence, these words are synonymous. All of the tasks fall within the boundaries of management, while leadership tasks overlap with management. Unlike management, leadership has no distinct task that falls exclusively within its boundary (Hester Nienaber, 2010).

Prudence A. Clarke (2009) discussed the differences between management and leadership within the project environment. His paper highlights the need not only to understand the difference between project management and leadership, but also to use this differentiation in the identification, assessment and development of project services providers and as an integral part of organisational and people development for all companies involved in sponsoring, supporting or delivering projects (Prudence A. Clarke, 2009).

According to Erwin Rausch (2003), there are eight questions that provide comprehensive system that can help managers to become more competent as managers, and as leaders. Those questions are simply about goals, communications, participation, competence, satisfaction, cooperation, norms and reviews (Erwin Rausch, 2003).

Leadership vs. Management

Since the topic of this paper is closely related to companies, and companies are managed by managers, we will firstly go through definitions, differences and inseparable linkages between managers and leaders. If we refer to comprehensive definition by Gary Yukl who said: "Leadership is a process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives.", we will recognize some managerial functions within of it. Process of influencing others to understand and agree, for managers can mean motivating employees to perform well, making sure that each one of them properly understand his/her duties, have skills and knowledge to achieve their job related tasks. The last part of definition which says that leadership is a process of facilitating individual and collective efforts, from managerial perspective would be providing support in terms of equipment, trainings and everything else they need to be effective and efficient. Also, the fact that in the book "Leadership in Organizations", Yukl is using terms "leader" and "manager" as synonyms, shows inseparable linkage between these two. According to Ricky W. Griffin, management is set of activities consisted of Planning and Decision Making, Organizing, Leading and Controlling. Those whose primary responsibility is to carry out mentioned activities are called managers. After we defined these two terms we

can conclude that every leader is a manager, but not every manager is a leader. Leadership is of great importance for management because they are connected and complementary. Of course, there are some differences between managers and leaders. According to Yukl, while managers value stability, order, efficiency and plan in the short-term, leaders value flexibility, innovation, adaptation and they plan in the long-term. However, all of mentioned characteristics are important in specific situations and specific life cycle stages of every organization. In the end, we can conclude that having a manager with leadership characteristics is great advantage for every company.

Power and influence, strength or threat?

Yukl stated that power refers to capacity of one party (the "agent") to influence another party (the "target"). Since there are different sources of power, there are different types of power as well. Managers can have power by their position (legitimate, reward, coercive, information and ecological) and person (referent and expert power). Each one of mentioned power types can be used in good and bad way and manager has to know exactly where to use specific type of power, and how much to use. When it comes to manager's intentions, power can be used for wealth of organization, but also for personal wealth. This opens a door to discuss two sides of leadership, or "Two faces of leadership" as John B. Washbush and Christine Clements say in their article. In the abstract, they mentioned psychologist David McClelland, who mentioned two types of power in his studies of managerial motivation: egoistic (using others for personal gain) and social (facilitating group cooperation and effort for the achievement of the general good). John B. Washbush and Christine Clements also said that leadership as influencing skill can have positive and negative results, and because of that it is not good always to define it as „doing the right thing". Authors defined the positive face of leadership as the one who necessarily involves moral purpose. Dark side of it is of course the opposite and it refers to situations when agent with personal power seeks to use position and charisma for personal gain. Important thing to bear in mind is that leadership is instrumental in promoting social good, but it can lead to social disaster as well. Most often, theory and education focuses only on positive side of leadership, and dark side is being neglected. As John B. W. and Christine C. mentioned, bad decision making, frustration, dysfunctional organizations, unintended consequences, wasted resources, ruined careers, organizational decline or dissolution are not always accidents, they are very often consequences of leadership's dark side. Parker Palmer (1994, pp. 25-6) was emphasizing need to inside the leaders and prepare them spiritually firstly, and than focus on development of their skills to manipulate external world. Unfortunately, most of leadership development programs neglect spiritual preparation, and create threats for companies and society.

Shadows that leaders fail to recognize

In the essay *Leaders, Fools and Imposters* written by Kets de Vries (1993), it is mentioned that leaders actually often have no idea about the dangerous side of leadership they are exposed to. Such a shadows by Kets de Vries mentioned in article of John B. W. and Christine C. are:

   a) **Mirroring** refers to leaders' tendency to see themselves through the eyes of subordinates. They are actually focusing on how followers see them, and they are trying to satisfy all their projections. In other words, they forgot that Leadership is

two ways traffic. This can be extremely dangerous in a case of actions with serious and negative consequences for company.

b) **Narcisism**refers to leader's tendency to need power, prestidge and enjoy manipulation of others. This can lead to very negative leader behavior suci is: intolerant of criticism, unwilling to compromise, and frequently surrounding themselves with sychopants.

c) **Emotional illiteracy** is inability to differentiate and verbalize emotion. Such a people have lack of emotional ability to empathize, energize, foster creativity and respond appropriately to conflict.

d) **Fear of losing the position** is strong ego identification with a leadership position. In the head of such a person, losing the position is being equal with nothing. The fear that their legacy will be destroyed motivates them to hold on power as long as possible.

Once again, these shadows are reminding us that leaders needs to understand themselves, their personalities, be open to all forms of information and feedback and have right extent of being sensitive to what subordinates are telling them.

If they don't do this, they will be slaves of leadership shadows we mentioned above, and they will come to point in which they will think that they are the company, they are the organization, and nothing else is important.

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"I am the state."(Louis XIV)
Leah Brown, CEO of A10 Clinical, which runs clinical trials for new drugs and conducts health research said: "During the start-up phase, I had so much passion behind the business that I would measure my self-worth based on how well the company was doing. This is totally the wrong way to think. The entrepreneur is a human being. The business is an entity. I had to learn to separate the two; otherwise I found myself down in the dumps when things went wrong with the business. When things don't go according to plan, this is the most crucial time for the entrepreneur to be inspiring, enterprising, fearless, and most importantly self-assuring to oneself and the team."[i]

When we read this quotation and then turn back to John B. W. and Christine Clements' article, we can easily notice the parallel. In the beginning of their article, authors in context of McClelland's work (1970, 1976) said that   people who employ personal power see followers as utilitarian tools, incapable of independent thought, and captured by the magnetism of an overwhelming personality. Such managers are not open to any kind of feedback, they do not have exchange with subordinates, they do not explain their requests, they even exceed their scope of authority, they don't offer rewards, they are not calm and they can't avoid appearance of hostility, sometimes they use punishments that are not legitimate and fair, they do not act supportive etc. Of course, as we already mentioned, behaviors like this will lead to bad decision making, frustration, dysfunctional organizations, wasted resources, ruined careers, organizational decline and similar negative consequences. In conclusion, we can say that manager's thinking that he is the same as the company, is one of the biggest and one of the most dectructive managerial mistakes he can make.

Proposals for Solving the Problem

The best solution always is avoidance of the problem, most often it means cutting the root. Since the root of this problem is of internal nature which means that it is within the manager (leader), theorists will have to focus on dark side of leadership to same extent they are focusing on leadership as "doing the right things". The mentioned concern of Parker Palmer is very important in creating solution for this problem. Leaders' trainings should be prepared in a way that they firstly prepare them spiritually, and then prepare them to influence external world. In other words, leaders should be firstly aware of what is the purpose of their power, where they should use it, how they should use it, and to which extent they should use it. Additionally, we can mention some guidelines and advices by Yukl when it comes to proper usage of power. These guidelines should be always in mind of every manager:

- Make polite clear requests, and explain the reason for request,
- Don't exceed your scope of authority, and verify authority if necessary,
- Follow up proper channels,
- Insist on compliance if appropriate,
- Offer types of rewards that people desire, and that are fair and ethical,
- Use rewards symbolically (not in a manipulative way),
- Explain rules and requirements, and ensure that people understand them,
- Don't show favoritism when responding to infractions,
- Investigate to get the facts before using punishments, and avoid jumping to conclusions,
- Provide verbal warnings before punishments, and administer such a warnings in private,
- Use only punishments that are legitimate, fair and according to seriousness of infraction,
- Act supportive and helpful,
- Do unsolicited favors,
- Make self-sacrifices to show concern,

Conclusion

History taught us that power in wrong hands leads to disaster. Every leader is a manager but every manager is not a leader. Manager with leadership characteristics is better for company than manager without them. However, leadership has its traps, and only those who are always aware of their own skills, competencies and leadership characteristics, companies' strategic objectives, stakeholders and their needs, and of importance to have sustainable and moral approach to leadership, they will be great managers. This study shows what happens in opposite situation. More accurately said, it shows us how person can come to position when he/she is not aware of his/her activities and what kind of consequences can arise if he/she is neglecting this small, but important list. Of course, not less important contribution by this paper is solution for such a problems based on literature review. Another aim of this work is to be incentive for paying more attention on potential negative side of leadership by theorists and academics in education process so failures can be avoided.

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[i] http://www.forbes.com/sites/groupthink/2012/01/13/seven-mistakes-promising-companies-make/2/