MANAGEMENT AND LEADERSHIP IN THE
MULTINATIONAL CORPORATION

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Executives or managers in multinational corporations have discovered an interesting trend. It is hard to pick up a professional or business journal, attend a convention, or have a discussion with one's staff, peers, or superiors without the concept of leadership emerging as a topic of interest and concern. We are all called upon to exert an influence on those about us; in other words, to be leader. As professionals, we have read or been involved in one discussion or another where we examined the question of leadership. Our reading or discussions invariably introduce concepts that describe what constitutes leadership characteristics, management styles, individual versus organizational goals, conflict resolution procedures, problem-solving techniques, and recognized models of management.

In final analysis, although we can conceptualize, theorize, analyze, and dissect all the parts to describe them in detail, then reconstruct them into a gestalt to see the whole person working in a system, we still have unexplained questions about what makes someone a successful corporation executive, department manager or leader. One thing we can feel secure and justified in assuming, however, is that an individual is exhibiting leadership when his or her own behavior or attitude changes the behavior (attitude or action) of another individual or group of individuals. This is the particular influence for which executive or managers are often hired. This attribute is constant in every culture. They are asked to orient themselves toward the objectives and goals of their corporation and to lead their fellow managers and staffs, and selected outside publics toward the satisfaction of these superordinate goals. Individual needs, subgroup needs, and the transactions between leaders and followers become paramount in the process of achieving corporate goals and in adapting to the situations or problems of the moment. Problem solving,

conflict resolution, and resistiveness to change are always part and parcel of the transactions between the leader and a follower.

There are numerous ingredients in both the description and analyzation of leadership and management. The dynamics of this interaction is a constant challenge and those of us involved in the management of corporations derive a great deal of satisfaction and certainly motivational impetus to our action by the forces involved. The inevitable conflicts between personalities, use of resources, corporate and individual goals, state and federal guidelines, boards of directors, managers and staff, creates situations and events that demand creativity and imaginative solutions. In corporations involved in multi-cultural settings with personnel from different cultures and who speak different languages, this becomes even more critical. It is within this climate of uncertainty and potential conflict that motivational management and leadership characteristics emerge and grow. In analyzing these issues, the authors reached the conclusion that complete organizational unity within the corporation is probably best described as an often sought after state; however, in actuality an impossible dream.

In this article, we will most frequently use the term »manager» as reflective of all levels of executives from the President to the department head. We would hope to explore with you just a few of the concepts involved in the dynamics of leadership and management, and by so doing create the interest and desire for the reader to approach his or her job with the realization that conflict is inevitable in a healthy viable organization and that solving these conflicts may be our most challenging and at the same time rewarding task. These concepts are seen again as crossing multi-national lines and are useful in many different settings. A few of the most important concepts and areas that all of us need to have an understanding are: leadership and followership; management versus leadership, group and individual needs, accomplishments versus satisfaction, the leadership continuum, and the importance of facilitating change.

LEADERSHIP AND FOLLOWERSHIP

Riley and Baldridge (1977) have reminded us that administrators or managers today are faced with a great diversity in their management roles and organizational models. In using an educational institution as a model, they said that situational complexities and conflict management have become principle issues faced by administrators in multi-settings. Administrators in those settings are faced with many different institutional forms, sets of

environmental pressures, professional configurations, and goals. It then becomes virtually impossible to make a reasonable statement about institutional patterns that apply universally when we discuss organizational unit and leadership. Therefore, a successful administrator in one system may not necessarily carry that success to other systems requiring a different set of abilities and experiences. This same statement can be said for managing our large corporations. For managers to respond meaningfully within different systems and diverse settings, they must individually, and certainly as a professional group, develop flexible leadership styles.

James MacGregor Burns (1979) points out that in essence, a leader does not exist unless he or she has followers. The fundamental premise of this relationship is that both leadership and followership depend upon on another not only for existence, but also because without the other each would lack the purpose, objectives, and direction needed for survival. Leadership, unlike powerwielding, is thus inseparable from a group of followers' needs and goals. It would seem reasonable to state that each organizational setting would have a different set of followers with a different set of needs and goals from another setting. Take, for example, the small corporation compared to the large multinational corporation. Burns goes on to state that leaders arise out of a problem or conflict situation that needs to be addressed. Certainly good leader never shun conflict; they »normally confront it, exploit it and ultimately embody it.»

It follows then that successful management is going to be an on-going activity that constantly maintains the necessary flexible posture to react to conflict and diversity whenever they occur, and has the ability to change organizational or individual objectives and methodologies as well as to satisfy the larger goals that are rewarded by society. In essence, managers must be creative in their roles and must understand what leadership is and where and how it should be applied. When discussing leadership and management, we should therefore also propose that good managers understand the differences between leadership and management. Managers certainly influence behaviors through both reward and perceived punishment; whereas leadership, in line with Burn's theory, always satisfies certain needs of the followers involved.

MANAGEMENT VERSUS LEADERSHIP

As previously mentioned, executives or managers are called upon to address the issue of conflict resolution and must be cognizant of the fact that characteristics leading to success in one given managerial position may,

when carried into another position, breed failure if the individual is unable to adapt to that different situation and the many variables bearing upon his or her success. The same is true of leadership characteristics. Characteristics that breed successful leadership under certain conditions and even in some countries may lead to failure if carried into another situation or setting. Leadership as well as management techniques may have to be applied differently as the situation and variables so dictate. Cultural differences and customs are particularly important for management to understand. In every setting, however, there is a basic question that needs to be addressed: Can leadership be separated from management? Management in this article will be defined as »the effective utilization of both human and material resources in order to achieve organizational objectives.» Argyris and Cyert (1980) defined leadership as »the art of stimulating the human resources within the organization to concentrate on total organizational goals rather than on individual or subgroup goals.» They also agree that it is certainly possible to be an effective manager without being an effective leader. »A manager may balance the budget, but make little to no progress in improving the organization.»

Management and leadership involve separate and distinct responses to different demands. Managers who perceive and accept this dichotomy are usually more effective at getting things done through their associates because they avoid the debilitating frustration that follows pursuit of the impossible dream of complete organizational unity.

Unfortunately, many top executives have often failed to distinguish between their role of manager and that of leader. The distinction may be unclear and the behavior that is called leadership could be called management on occasion or vice versa. However, we should never fail to remember that there is a difference.

GROUP AND INDIVIDUAL NEEDS

A natural process of selection of a leader usually occurs in groups. Osborn, Hunt, and Jauch (1980) describe informal groups as those that spring up without being formally specified by someone in authority. In organizations, they may be departmental subgroups of cliques that form across organizational lines. Certainly cultural, religious and even sexual differences may, but hopefully will not, act as a negative motivational force. These differences have to be recognized and put in their proper perspective by the manager. Diversity in groups, when approached properly, can be a real strength. Usually

a formal group appointed or organized by someone in authority, is task or process-oriented. In order for the group to be effective, its activities, inter-actions, attitudes, and consistency become very important. Group composition and subsequent consistency and cohesiveness are considered essential to the success managers and leaders seek, and they need to be aware of how their organizations and departments are organized and to what degree individual and group interface and harmonize with overall organizational goals.

Babbit, *et. al.* (1974), define a group as a collection of individuals among whom a set of interdependent relationships exist. Many of the groups' members will have their genesis in the formal design of the organization. Fiedler (1967) has defined three types of groups based upon their particular type of interdependence-interacting, coacting, and counteracting. In an interacting group, the ability of one person to perform a job depends upon the fact that another has completed his or her share of a larger task. A coacting group is designed so that each member of the group does his or her job relatively independent of other group members. A counteracting group consists of individuals who are working together for the purpose of negotiating and reconciling conflicting opinions and purposes.

A corporation with the many operational and service departments as well as advisory groups can easily identify within its organization all three types of groups. In any one of these group types, the member who most clearly epitomizes the characteristics of the individual members is chosen, formally or not, as the leader. The basis of nomination is compatibility with the interests of the individuals involved in that group. This is how positions of leadership develop. However, an association of individuals also creates a need to consider the collective good — that is, to decide among both group (organizational) and individual priorities and to respond to external stimuli. The person who decides what shall be done is usually called the manager. Hopefully, this person will also be a leader.

For members of the organization who agree with a manager's decision, the manager also becomes the leader because their individual interests and needs are being represented and satisfied. For the members who disagree, however, the manager is only a manager and not a leader because the decision has gone against their individual aspirations.

Managers who also desire to be good leaders go out of their way to learn the needs of subordinates and try to satisfy these needs within organizational capabilities. This action insures success in both management and leadership roles. Schermerhorn, Hunt, and Osbom (1982) discuss the »equity theory», as it relates to the satisfaction of individual needs. They point out the necessity to always keep in mind that a felt negative inequity exists when an indi-

vidual feels he or she has received relatively less than others in proportion to
their work input. The authors also discuss a felt positive inequity, where
individuals feel that they have received more than others in the same situation
for one reason or another. Those who have felt a positive inequity, according
to the research, have tended to increase the quality and quantity of their
work while those who have a felt negative inequity tended to do the reverse.
Those feelings by individuals are determined solely by the individual's inter-
pretation of the situation and usually exist in any organization. The manager
who desires to be an effective leader has to make a concerted effort to be in
tune with the ever fluctuating feelings or felt needs of those who he or she
is influencing. Also discussed was the importance of group effectiveness. The
authors point out two key factors typically present in groups that are achieving
their goals: (1) task performance, and (2) human resource maintenance. The
effective group is one that achieves high levels of performance in both over
a period of time. »To be effective, a work group must be successful at assessing
task demands, and meeting those demands by proper planning, coordination,
and utilization of member resources.» Group size is also important. As a
group grows in size, more communication and coordination are required in
order to achieve the ultimate result: (1) Less than five members result in
fewer people to share task responsibilities, more personal discussion and more
complete participation; (2) more than seven members result in fewer oppor-
tunities to participate, more member inhibitions, domination by aggressive
members and a tendency to split into subgroups. In forming committees,
advisory groups, and work forces one should therefore consider the objective
that are being sought as the group is formed.

   In discussing the necessity for a manager or leader to understand individual
and group needs, a consideration of problems in communication should
always be included. Dressel (1981) defines communication as a process
whereby two or more entities engage in an exchange, interaction or trans-
action by means of symbols that have common meaning. These symbols,
often unique to a particular type of organization, include words, signs,
gestures, tone of voice, facial expression, body movements. An example
would be terminology unique to a technical setting. Meaning often depends
upon the context, specific environment, culture, and the specialized groups
and individuals working in a particular field. Successful exchange of inform-
ation, cooperation in achieving shared goals, and reinforcement or alteration
of attitudes and values often depends on those specialized symbols unique to
the activity in question. In actuality, everyone is aware that communication
is where almost all human relations breaks down. Conflicts, unresolved lack of
clarity, ambiguity, erroneous facts, innuendos, dissimilar frames of references,

poor sending and receiving of messages, and negative attitudes are all problems that need to be addressed daily in every organization. A leader or manager who desires to be successful has to know the special language and be a good communicator. Communication may create a crisis rather than avoid or alleviate one. Interpersonal credibility and trust is a necessity in communicatin and becomes paramount to successful management and leadership.

ACCOMPLISHMENTS VERSUS SATISFACTION

Modern management theory generally dictates that the manager or director must be accountable for both organizational accomplishment and personnel satisfaction simultaneously, a condition that is not totally possible. However, managers who exhibit high degrees of concern for their staff, as well as high degrees of concern for the activities of the organization, seem to be the most effective leaders (Sandford, 1973). The individual needs and goals of faculty or staff may be obverse, although not necessarily adverse, to those of the organization. If we would differentiate clearly between representing the needs and goals of individuals (leadership) and representing the ortanization's needs and goals (management), we would be able to serve both our associates and our organizations better.

In addition, many people suffer from the delusion that leadership is some mystical personal quality, usually inbred: a spark that can ignite fervor in the hearts of followers and without which the manager is doomed to failure. However, a fervent search for the missing quality will lead only to frustration for the manager and disillusionment for associates who want capable direction. Conflict is inevitable between individual and organization goals and eventually compromise is the result. Corporate leaders who sometimes lose the favor of their staffs in order to obtain necessary organizational results should not dispair; there are times when organizational needs simply must take precedence over individual desires. We certainly need to try to understand and accept this operational necessity. What we often observe and call charisma in leader-follower relationship may very well be rooted in concrete managerial authority.

Winston Churchill's public life provides an excellent example. He was a good administrator or manager first. He identified the problem, considered the alternatives, chose the response he considered the most appropriate, and acted accordingly. — which often meant calling the people to action at a time when many probably didn't want to go. In essence, Winston Churchill suffered the »Moses Misery». He had to get all the children into the promised land whether or not they wanted to go. Successful managers are among those

often faced with this same »Moses Misery», and here is where a vital distinction between leadership and management can be seen. For the people who immediately perceived that Churchill was likely to be correct in his assessment and plan of action, he was both a top administrator or manager, and leader. But for the dissenters, he was only their manager until the moment when they could agree that what was good for England was also good for them as individuals. It is up to managers to sell the idea that their objectives are the same ones that will satisfy individual goals and needs, thus becoming acceptable leaders.

Management is the accountability we have to conceptualize goals and make them obtainable. It is the achievement of these goals for the good of the organization with which we and our associates are involved and upon which we depend for our livelihood. Leadership is the responsibility we have to represent our associates' needs and goals and to help them achieve what they want. A manager determines, organizes, and directs programs, and compromises among differing desires and expectations. A leader deals in emotions, excites camaraderie and unity, and guides vague notions into concrete actions.

LEADERSHIP CONTINUUM

Tannenbaum and Schmidt (1973) discuss the continuum concept of leadership behavior. They chart behavior of leadership from a boss-centered to a subordinate-centered emphasis. In other words, one end is characterized by the use of authority by the manager or administrator and the other end by an extensive amount of freedom for subordinates. The authors suggest some interesting alternatives of behavior along this leadership continuum. The manager makes the decision and announces it; the manager »sells» that decision; the manager presents ideas and then invites questions; the manager presents a tentative decision subject to change; the manager presents the problem, gets suggestions and then makes a decision; the manager defines the limits and requests the group to make a decision, and the manager permits the group to make a decision within prescribed limits.

This model allows us to immediately see the relationship and continuous behavior from authoritarianism to participative behavior by the manager as subordinates are involved in the decision-making process. The authors continue their discussion by describing their view of indentifiable forces influencing the manager, subordinates, and the situation. Forces influencing the manager are his or her value system, confidence in subordinates, personal leadership inclinations, and feelings of security in certain situations. Forces affecting

the subordinates are existence of relatively high needs for independence, readiness to assume responsibility for decision-making, relatively high tolerance for ambiguity, interests with the problem and its importance, the necessity to understand and identify with the goals of the organization, and possession of the necessary knowledge and experience to deal with the problems. Forces which influence the situation are defined as being essentially the type of organization, the effectiveness of the subordinate groups, the problem itself that is being addressed, and the pressure of time to reach closure on the issue. Managers should understand the existence and interrelationship of these forces at work in the organizational behavior of a university and in the achievement of personnel goals.

Tannenbaum and Schmidt summarized their perspective by listing the types of personnel objectives that managers often seek in modern times where rapid and contunual change is present: (1) to raise the level of staff motivation, (2) to increase the readiness of subordinates to accept change, (3) to improve the quality of management decisions, (4) to develop teamwork and morale, and (5) to further the individual development of the staff.

Blake, Mouton, and Williams (1981) have discussed the Academic Administrator Grid where there is concern for institutional performance on the one hand and concern for people on the other. Concern on both scales ranges from a low of one to a high of nine. Administrators are rated generally along both continuums and obviously move up and down on each scale as stress occurs in the obtaining of objectives relative to the organization and the people concerned. The ideal administrator and leader would without question be the nine, nine (highest concern for both organizational objectives and people); this type of person has been characterized by Blake, *et. al.*, as someone who has a »can do» spirit, who is flexible enough to typically look for the best solution, and who is creative and very capable of innovation. This example is certainly relevant for the corporate manager.

Maccoby (1981), selected and discussed in some detail a list of six different leaders in different fields of endeavor. He then isolated three qualities that all six shared that corresponded to the most positive attributes of the new desired social character of leadership: (1) a caring, respectful and responsible attitude; (2) flexibility about people and organizational structure; and (3) a participative approach to management and the willingness to share power. He also described the successful leaders as being self-aware, conscious of their weaknesses as well as strengths, and concerned with self development for themselves as well as others.

Social theorists also remind us that the various factors and interrelationships in a particular situation are changing constantly; and they are interfacing

with one another at different times in different ways. The many complex
situational and interpersonal interrelationships are therefore in a constant
state of change.

FACILITATING CHANGE

The ingredient that we personally, as both managers and leaders in a cor-
porate setting, can bring into this dynamic situation is a rewarding, easily
acceptable, contributing, mature, nonthreatening, responsible style of leader-
ship to which people can relate positively — one with which they can feel
secure in the understanding that you are on their team, contributing support
to those who are responsible for completing tasks that will affect the entire
group. That particularly unique blend hopefully satisfies the needs of both
the organization and its members. In·other words, good managers have to
constantly work towards being »facilitators of change» while showing strength
of character, stability and staying power when change is taking place.

As reflected by Huse and Bowditch (1973), even though managers have at
their command all five types of power (i.e., legitimate, expert, referent, re-
ward, and coercive), they may still be unable to bring about needed changes.
This could be explained by stating that at any one time the influence of
managers depends solely upon the attitudes of those with whom they work
who must bring about those changes. Those »many publics» or followerships
with which the executive or manager deals must perceive the problems
similarly to the manager trying to bring about change and also must see the
need for change in their own frame of reference in order to give their support
freely. They must perceive in similar fashion to the initiator of the idea, and
the desired outcomes as being positive and in line with the ultimate goals of
the organization and the public it serves. In final analysis, for change to come
about in organization where many individuals take part in the decision-making
process, each individual must stand to gain something, and the responsibility
for change must be shared. This in no way infers a selfish interest, but rather
a self-interest as it relates to acceptable organizational, group, and individual
goals. The leader or changer becomes a teacher and the changee becomes the
student willing to accept the necessity, method, and speed of change in the
direction sought by the facilitator.

All of the intrinsic and extrinsic forces utilized by a manager will be
perceived by subordinates, peers, and superiors as the individual's »style».
Usually a style becomes apparent to those who interface with an individual
in any role when his or her behavior, attitudes, methods of solving problems,

communicating, praising, manipulating, etc., become structured to the extent that one can begin predicting the catalytic force of that particular individual's leadership.

Those of us in a managerial position should, in addition to being aware of the differences between management and leadership, also be cognizant of both our leadership style and the impact of that style on the behavior of others. The reason for this is simple. As leaders, our efforts to influence the behavior of people (which is a fundamental task) are obviously related to our perception and understanding of the nature and process of leadership. In other words, a good manager must be aware of his or her personality, strengths, character, biases, prejudices, management knowledge and techniques, and communicative abilities, and must recognize the role these characteristics have played in the past within the organization in question. We must also be keenly aware of our flexibility and amenability to change and risk taking.

The manager-leadership dichotomy may also be considered as a reciprocal relationship: the more you choose to administer, the less you choose to lead. The ideal is to achieve a balance between organizational and individual needs. The more distance between a manager's position and the positions taken by associates, the more the manager needs to find ways to listen to what associates have to say about their problems and desires, and the more important it becomes to tell associates about the requirements and objectives of the organization.

CONCLUSION

In conclusion, it can be said that a major challenge for corporate executives or managers is to identify and practice the ways in which they can bridge the conflicting needs and goals of the corporation or organization and the individuals associated with the organization. One must be fully aware that in reality people are motivated differently, and this produces natural human discord that cannot be ignored in organizational structures. Conflict is inevitable. There is no fundamental truth, no optimum truths, to show us once and for all how to manage people, especially when they do not completely agree with our decisions.

Such a search for understanding, particularly for charismatic leadership, may be an illusion. By necessity it becomes an illusion that must, however, be examined. The optimum moment of organizational effectiveness, when the needs and goals of an organization and its participating members are as

identical as possible and everyone wants to do the same thing, even for different reasons, may best be viewed as a very fortunate coincidence. The coincidence becomes the ultimate goal we should seek, but at the same time we need to realistically understand its elusiveness. Often our attempts as managers to seek optimization at every turn only contributes to mental stress and may resemble Don Quixote's tilting at windmills. Managers are not performing well unless they are continually creating »disequilibrium» by choosing between conflicting demands; hence, we must expect, understand, and enjoy the product of the natural growth producing conflict between management and leadership. The solution to the puzzle of managing effectively is not to force ourselves to be leaders when management is required, but to allow the coincidence of management and leadership to occur naturally through honest consideration of both perspectives.

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