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Study on Management Styles and Managerial Power Types for a Large Organization

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Abstract

This paper studies the leadership style and leaders' power in a large scale organization. Our case study analyzes a higher education organization (university) with 1352 employees targeting the support positions in the organization for didactic activities (auxiliary didactic employees and non-didactic employees). The organizational power of a leader derives from the position of power (legitimate, reward, coercive) and personal power (expert, referent). The perception of the employee on the organizational power is highly important for the degree of success or lack of success in the organization. The main objectives of this study were to identify the leadership style, preferences on leaders' power type, and the relationships between them.

1. Introduction

The leadership style represents the behavioral model which characterizes a leader (DuBrin, 1995). A way of approaching the leadership styles is by taking in account three key-points on leadership continuum. The organizational power of a leader (manager) also derives from the position of power (legitimate, reward, coercive) and from personal power (expert, referent). The perception of the employee on the organizational power is highly important for the organization's success or lack of success.

This paper presents a study regarding leadership styles and managerial power in a large organization, and a comparative study between the two issues. From a juridical point of view, in Romania, large (and very large) scale

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organisations are the ones with at least 250 employees (more than 1000 employees respectively). In case of companies (profit organisations) there are also other criteria like annual revenue (more than 50 million euro) or the total of the company actives (more than 43 million euro). In our case study, we analyse a higher education organisation (university) with 1352 employees (672 employed in education activities and 680 employed in auxiliary didactic and non-didactic activities). The target was the support positions in the organisation for didactic activities, meaning the auxiliary didactic and non-didactic employees, 500 of whom are from the main organisation structure.

2. Organizational Structures

Leadership behaviour is influenced by the organization structure both in positive and negative ways (Moore, 2009). The organization structures exist to support a set of activities that can be performed according to some division of labor or specialization. The key differentiators of organizational structures are the boundaries of the organization and the mechanism of coordination, information flow, and decision-making (Nohria, 1991).

In a **hierarchical** organizational structure, a compartment (a structure element) is further divided into sub-compartments with managers responsible for supporting each smaller compartment. These managers then report to a manager who is responsible for overall activities which are grouped functionally (or based on other criteria) in a higher hierarchical compartment. These managers rely on more formal communication (goals and targets, progress) and create a layer which can potentially disrupt the flow of information and decisions.

In a **matrix** (project) structure, the compartments boundaries are less permanent. A compartment member effectively reports to two kind of managers: a functional manager (from the functional compartment) and a (or more) project manager from the project (projects) in which the employee is engaged. For a large organization, this dual hierarchy enables the organization to be highly flexible in building project teams (as an element of organization structure) to deliver projects. Project-based information flow and decisions is focused on team-level engagement/discussions. Problems may occur when the number of projects increases and a hybrid organizational structure is introduced.

The "functional-hierarchic" organization (Johnson*,* 2015*)* is commonly known as a "matrix" organization. The matrix is an attempt to introduce flexibility to rigid and bureaucratic organizations. This means that actual expertise in specific areas is given wide latitude, while not affecting the linear and strict chain of command.

The real innovation of the matrix idea is that power is separated from authority. On the one had, "authority" in this case is the ability to do something well. On the other hand, "power" is the nature of command and exists solely because of one's position in the bureaucratic pecking order.

Power here is the bureaucratic and linear chain of command. Its purpose is to maintain the functional units - often isolated from each other - in a rational cooperative order. Its purpose is administrative only. It has no right to dictate production standards, since that is left to those compartments that specialize in it. "Power" then, is administration, not production.

Authority is in the functional compartments. These can be accounting, production, sales, transportation, purchasing, legal and others. They are compartmentalized, focused and self-contained. They exist in relation to the other compartments because of the efforts of the administration for a normal-working relationship. The point is to keep these productive compartments focused and dedicated to their specialized task. They are not interfered with the command structure.

The **matrix** is where power and authority, formally separated, comes together into a functional, efficient and competitive unit. Management deals only with the more "formal" areas of the organization: administration. It includes the communication and cooperation among compartments and the efficiency of inter- and intra-compartment efficiency. Authority and power significantly facilitates coordination. Higher organizational performance comes together with some balance between decentralized local coordination and centralized authority (Dosi and Marengo, 2015).

The organisation of our case study, a university, recently changed its structure from a classical hierarchical one (before 2011) into a hybrid matrix one (after 2011, when the new law of education was adopted). If before, the faculties (which were the main structural element of the university's organisational structure) where subordinated to the Rector and department or departments were subordinated to them, now the departments are directly subordinated to the Rector. The faculties and the departments have their own responsibilities with functional and collaboration relations between them, replacing the former hierarchical structure. Departments offer education services to faculties through their didactical employees (professors). Faculties manage study programmes and students. One department