

The Role of the Leadership by Running a University under Uncertain Conditions

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Abstract

Coping with new challenge requires the university to improve all the processes inside a university including the ways on how the university is run. For improving of those ways it is necessary to understand how the university leadership works, to take a look at the roots of the leadership decision making. In this paper a model of the leadership decision making under uncertain conditions is presented. The model assumes the decision making as a way of cultivating of the organisational culture corresponding to the values of the leadership. Experimental results illustrating the mechanism of this cultivating are displayed.

Introduction

Employability of the university graduates can be examined from various points of view. Very often university graduates are treated as the parts of an economic mechanism, so their characteristics are described similarly to ones for the machine parts being aimed to match the structure and the functions of the particular enterprise or sector of industry. But the complexity of the modern world requires a graduate to leave from the space of knowledge to the space of professional self-realization and life values. It creates a new challenge for the universities.

Coping with this challenge hinges as well as any other sides of the university being on the university organisational culture. One of the most important parts of this culture is the way on how this university is run, other words, on the activity of the university leadership.

Corporate culture of an organization is the key element of the organisation's existence, and it gets a special significance at the periods of instability and deep changes in the environment. There are many evidences of this phenomenon. K. Cameron and R. Quinn quote data from the Fortune magazine (Cameron & Quinn, 1999) according to which the most successful companies are neither the most well-known ones nor the biggest or richest ones, but the ones which pay special attention to the development of their organisational culture (Table 1).

Table 1 (data of 1995).

Company	Financial return during 20 years, %
Southwest Airlines	21775
Wal-Mart	19807
Tyson Foods	18118
Circuit City	16410
Plenum Publishing	15689

These authors quote also one of the Ernst & Young researches. Ernst & Young has studied 584 automobile, computer, banking, and health care companies in the USA, Japan, Germany and Canada which tried to implement the Total Quality Management system. The research showed that most of the companies studied failed in their attempts to implement the Total Quality

Management system because the implementation was not supported by the corresponding programs of the organisational culture change.

B. Clark supposes forming a strong entrepreneurial organisational culture to be one of the key elements of changes at a university targeted to cope with the challenges of the present epoch (Clark, 2004).

J.J. Duderstadt, under whose leadership the University of Michigan was transformed into one of the best American public universities, writes that the main challenge by university transformation is change of organisational culture rather than financial or structural problems (Duderstadt, 2003).

These and other authors (Bolman & Deal, 2003) highlight the special role of the leadership in the formation of organisational culture of universities and give many examples confirming this role.

E. Schein (Schein, 1985) suggests that just reaction of the leader and his/her team to environmental challenges forms the basic assumptions of an organisation. Duderstadt confirms the Schein's thesis (Duderstadt, 2003) and demonstrated the critical role of the university president in deep changes at a university.

M. Shattock shows that the personal leadership is of less importance for the university success than creation of the organisational culture encouraging achievement of the common goals (Shattock, 2003). Also, Shattock underlines importance of a balance between administrative goal-based culture and academic value-based culture within a university. His opinion is that properly balanced organisational culture provides a university with a substantial advantage over universities where such a culture is absent.

Theoretical approach

The leadership creates and develops the organisational culture by cultivating both explicitly and implicitly of the certain values within the organisation. This cultivating is brought about by the decisions which are made and are implemented by the leadership. In this context it is interesting to take a look at the roots of the leadership decision making especially under uncertain conditions.

As a rule a university finds itself in uncertain conditions due to the deep changes in environment the reaction to which cannot be logically defined on the basis of the previous experience of the university being.

A leader has to trace the environmental changes with the special attention inasmuch as it is of great importance for the strategy development. He/she is just that person within the organisation who is bothered by environmental changes to the greatest extent. As the result the leader becomes some kind of a barrier which protects personnel from uncertainty caused by new environmental challenges. The corresponding decisions are developed and are made by a leader to response to these challenges adequately. A process of the decision development can be organized by many various ways but the final choice of the decision to be made belongs to the

leader as well as responsibility for results of this decision. If the decision was successful the organisation follows the same way in the similar situations. Being repeatedly used this way of behavior imprints in the organisational mentality as a behavioral stereotype for the certain situation, other words, it becomes an element of the organisational culture.

Another question appears in this context: “Why does the leadership choose just this decision among many similar ones?”

The answer to this question is that the decision to be chosen corresponds to the greatest extent to the personal values of a leader, his/her internal way of the environment perception. So, we could say that the decision making process of an organisation in uncertain conditions is the process of cultivation of the leadership personal values into organisation. These leadership personal values become the values of the organisation. Those members of an organisation who share the leader’s values and vision approve the decision made and realize it. Those who do not share implement the decision formally or struggle against either explicitly or implicitly. Finally, it forms the organisation as a community of like-minded persons.

This circumstance is used very often by appointment of a new leader for an organisation or its subdivision (since everything mentioned above can be applied not only to an organisation as a whole but also to the subdivisions of the organisation).

If by changing of the leader it is supposed that the organisation (subdivision) performance is good and the organisation shall follow the same way, the new leader are usually chosen from the working individuals of the organisation (subdivision) because he/she is already integrated into organisational culture, share the values of other people within the organisation, and, hence, he/she will be understood and accepted by personnel.

If it is supposed that the organisation (subdivision) has to be changed revolutionary the new leader is appointed as a rule outside of the organisation (subdivision). New leader will impose on the organisation its own system of values which is different from the system existing within the organisation. It will inevitably lead to the conflicts within the organisation resulted in changing of the organisational culture, hence, in changing of the organisation as a whole.

Methodology

The crucial influence of the new leader on organisational culture and on organisation as a whole was proved during the study of the organisational culture of Tomsk Polytechnic University and its subdivisions. The Organisational Culture Assessment Instrument (OCAI) developed by K. Cameron (Cameron & Quinn, 1999) was chosen for this research.

The model of organizational culture proposed in the OCAI presumes that the organisational culture of any organisation consists in some proportion of four subcultures: ‘Hierarchy’, ‘Adhocracy’, ‘Family’, and ‘Market’. According to this model, the content of each subculture can be shortly described in the following ways:

The Hierarchy culture

Organisation is concentrated on internal problems, stability, predictability, controllability, and efficiency. All kinds of work are formalized and structured. Everything is governed by procedures, guidelines, instructions that are mainly in writing. Orderliness is especially encouraged. Any employee can be passed over for a reward if he/she achieved a success by violating the procedures, and can avoid penalty for a loss by following all procedures precisely. Any changes in organisation are absolutely impossible without official changes of corresponding procedures, guidelines, and instructions. Leaders are proud of being good coordinators and organizers.

The Market culture

Organisation is a result-oriented entity that is concentrated on interaction with the external environment, stability, and controllability. The main task of both an organisation as a whole and each employee individually is the achievement of planned goals by the fixed time. And these goals, as well as striving for their achievement, hold an organisation together. As a rule, these goals are defined in quantitative economic terms. For instance, to increase a profit by 15% by the end of the year, or to expand a market niche twice. In this culture, the organisation emphasizes competition both outside and inside. Leaders are tough and demanding competitors. Success is defined in terms of market winning.

The Adhocracy culture

This organisation is concentrated on flexible interaction with the external environment. It is characterized as a dynamic, creative workplace where entrepreneurship and individual results are especially encouraged. Employees incline to take initiative and risk, and independence and freedom are highly respected. Leaders are also innovators and experimenters, and are respected for their creativity. The main task of both an organisation as a whole and each employee individually is to be on a cutting edge of a problem and leader in their area of expertise. Commitment to innovation holds an organisation together. Organisation feels a need for complex challenging tasks. The criterion of success is in the possession of unique technologies, products and services. It is supposed that readiness for changes and innovations are able to open new resources and to increase a profit.

The Family culture

An organisation manifesting the family organisational culture looks like an extended family with perpetual employment that has an informal approach to a work, a weak hierarchical structure, and an emphasis on team management. The organisation focuses on internal problems and concerns of individuals. It is sensible to the needs of a customer who is considered as a partner. In fact, it is a friendly-oriented place of work where people share a part of themselves. Leader is perceived as paterfamilias with almost unlimited rights and charges. The organisation is held together because of traditions and devotion to the family values. Team work, commitment and consentaneity are encouraged. Great attention is given to the development of personnel, solidarity, and a moral climate. Success is defined in terms of concern for people and sympathy to customers.

In order to measure the portion of each of the four subcultures within the organisational culture, personnel of an organisation are asked to complete the questionnaire developed by K. Cameron and R. Quinn and adapted to the research of a university (Pushnykh, 2010).

Research results

University members have been questioned twice: first time in 2002 and second time in 2007. Just before the first questioning the leaderships of two Schools at TPU – The Electrical Engineering Institute and The Faculty of Natural Sciences and Mathematics - have been changed. It is worth mentioning that previous leaderships worked for a long period of time and formed the certain organisational culture within their Schools. So, the picture of the organisational cultures obtained during the first study showed the state of the cultures formed by former leaders while the second study showed how the cultures were changed under influence of values of new leaders.

Organisational profiles demonstrating portions of each subculture in the whole organisational culture are given on Figure 1 for the Electrical Engineering Institute and on Figure 2 for the Faculty of Natural Sciences and Mathematics. On the figures the “present” condition of the culture is shown by solid line, the “desirable for personnel” condition – in dashed line.

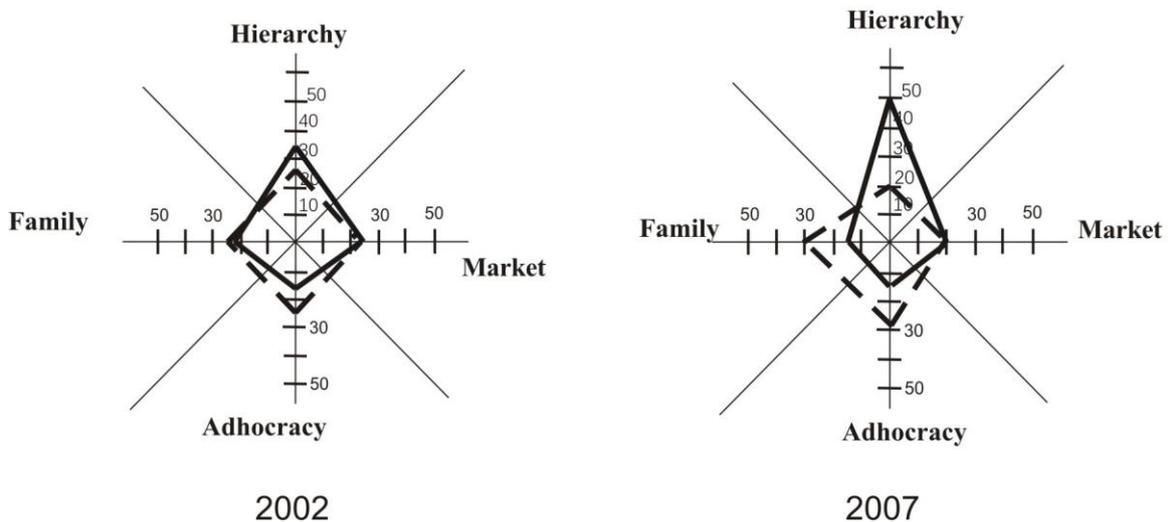


Figure 1. Organisational profiles of the Electrical Engineering Institute.

As one can see from the Figure 1 at the moment of changing (2002) of the director of the Electrical Engineering Institute the organisational profiles were almost homogeneous and the difference between “present” and “desirable for personnel” conditions was small. It means that personnel was in general satisfied with the existing situation though the academics would prefer lessening of Hierarchy and increasing of Adhocracy that is lessening of administrative pressure for benefit of creativity.

New director of the Electrical Engineering Institute was invited outside. He was a famous researcher who has dealt with higher education many years ago. He brought new market-oriented values which were not apprehended by the academics of the Institute. It is illustrated by the Figure 1 (2007) which shows organisational culture of the Institute after five years of new leadership. There are two main differences if to compare with 2002. The first one is that the culture has been changed from the almost homogeneous to the culture with very strong emphasis

on Hierarchy which means per se a shift to dictatorial style of leadership. This style came to contradiction with the way on how the personnel perceive the Institute (big difference between “present” and “desirable for personnel” conditions` on the Figure 1 (2007). This example shows the revolutionary changes within the organisations under influence of the outside invited leader. It resulted in arising of a visible tension and conflicts among academics, worsening of the psychological climate and other negative consequences in spite of the fact that the ideas which new director had been trying to introduce were perhaps progressive. The academics being interviewed mentioned their dissatisfaction with psychological atmosphere within the Institute as compared with the previous leadership and directly connected this worsening of psychological atmosphere by the decisions made by new director.

Another situation emerged at of the Faculty of Natural Sciences and Mathematics (Figure 2). There are very small differences with organisational profiles for 2002 and 2007. New dean of the Faculty was elected from the academics of this Faculty. He had been working for the Faculty all his life. He was highly integrated into existing system of values at the Faculty.

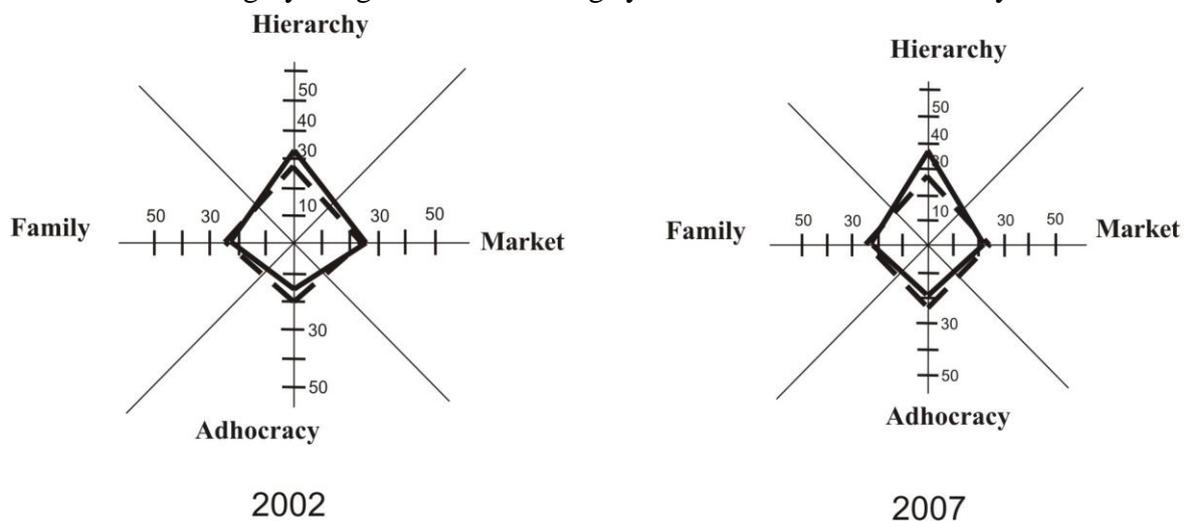


Figure 2. Organisational profiles of the Faculty of Natural Sciences and Mathematics.

His leadership was based on long-term traditions, established relationships among academics, and other attributes of the existing organisational culture. His colleagues being interviewed especially underlined continuity of the leadership style; so, nothing has been changed under new leadership.

Conclusion

An influence of the leadership’s decisions on organisation and its culture is a fact going without saying. But all known evidences of this fact are narrative; they do not allow estimating the extent to which this or that decision changes the organisational culture.

Now the direct experimental demonstration of influence of the leadership’s decision on the organisational culture of a university is presented for the first time. These experimental results allow not only proving the influence of the leadership’s decisions on organisational culture but also identifying the directions in which the culture is changed as well as estimating the extent of change for the particular direction.

The methodology could be recommended for the university leadership as an instrument for assessment and correction of the decisions aimed to the university advancing.

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