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Leadership

and the Conditions

of Organizational Effectiveness

At the regular semimonthly general staff meeting of the Public Health Service in Washington on November 2, 1951, Dr. McGregor, since 1948 the president of Antioch College, Yellow Springs, Ohio, discussed current concepts of leadership. First full-time psychologist on the Massachusetts Institute of Technology faculty, he was executive director of its industrial relations section. He is considered a leading consultant in human relations and has arbitrated many labor disputes.

A condensation of the major portion of this informal talk is presented here. Dr. McGregor characterized his remarks as a "highly tentative" probing into the question of leadership, and as a basis of further discussion.

The subject of leadership comes up quickly in almost any discussion of organization problems and human relations. The typical question focuses on the leader, and along the line of what is a good leader. In so doing, we direct our attention to the personality characteristics of an entity, the leader.

I suspect there is no answer to be found along this line of questioning—that there is no such thing as a good leader per se, but that a wide range of personal characteristics is required for leadership in different situations. Even in the same situation people with startlingly dissimilar characteristics can be successful as leaders.

Certainly one sees that sort of thing in industrial settings often enough to be convinced—or in a church, or in an army in the field, or with a football team. It seems clear that quite different characteristics are called for in a leader, depending upon the nature of the organization, its philosophy, its purpose, and the like. And so I'm inclined to conclude that to seek for the personal characteristics which typify the leader is a fruitless search, and that we ought to be asking ourselves questions of another order altogether.

To approach it another way, let's start with what offhand seems a trite statement: The effective leader is one who is followed. To say that, however, is similar to saying: A good medicine is one which cures the disease. Having said it, you don't start out to try to find the characteristics of a good medicine independent of the disease you are attempting to treat. And I think that's the important point. We shouldn't seek to study leadership without regard to the situation in which we find it exhibited.

Purpose of Organization

Having changed our orientation, we ask different questions: What is an effective organization of people? How does an organization achieve its purpose, whether its purpose be profit-making, education, or government service?

There are two very broad generalizations that I think are pretty well substantiated now. In our culture, at least, we find an organization effectively achieving its purpose only when the members are willing to collaborate for a common end. We've pretty well passed the point where we think we can make people do a job.

The other generalization is that people collaborate willingly toward an organizational goal only when in so doing they are able to satisfy their own unique personal needs. There are a great variety of these needs which are often in conflict, and are often a good deal more subtle than the needs satisfied by the pay check. But, basically, when people discover that through working together toward an organizational goal they can get what they want, we find effective collaboration.

Both the purposes of organizations and the needs of the people who comprise them change. As a result of such changes the leadership which will be effective will be different. When the problem is set in terms like that, it becomes clear, for example, why a militant demagogue may be a very effective leader during an organizational drive of a union, and why, 5 years later, when the union has achieved status and is perhaps in reasonable relationship with the employer, the man is no longer an effective leader.

The Situation and Leadership

In some situations we find members of a group have a very clear purpose which is common to the group. The satisfaction of their needs relates very directly and immediately to that purpose. Think of a hobby club in which the members seek satisfactions that are directly related to their purpose. The same thing often tends to be true of a group that finds itself in a critical situation. The purpose of the group and the commonality of need makes for a very simple and straightforward situation. A foot-ball team presents this situation. The objectives are simple; the group is committed to the objectives and their needs are satisfied through achieving them. There, however, conflicting needs between winning the game and being a star personally sometimes complicate the leadership problem. But in those situations, the leadership requirements for effective organizational achievement are on the whole pretty simple—someone who is a resource to the group, a natural leader, is about all that is needed.

There's been a great deal of experimentation with such small groups in a laboratory setting. It seems possible for the group to be extremely effective with no leader at all, with functions distributed among the members and nobody thought of by the group as being their leader. But in most situations that we have to deal with, the group doesn't have a clear and unified purpose, and there are many complex and often conflicting needs among the members. Then the leadership task becomes extremely difficult.

Correlates of Success

Take, for example, an industrial organization. Its purpose, basically, is to make money. That purpose is established by the owners, who are in one sense external to the group. The leader is usually appointed from outside, or perhaps he is the owner and is thus self-selected. He isn't a natural leader who emerges from the group. He isn't elected. He's not ordinarily seen as a resource by the group, and he has to deal with a wide variety of needs, conflicts in purpose, and so on.

That is a typical situation in which we attempt to study leadership. Public health organizations, in somewhat different terms, present similar problems. Let's raise the question, then, What are the significant conditions, the significant correlates of organizational success?

This is not a question now about leadership at all. We are not looking for the characteristics of a person, but rather for the factors which are correlated with the achievement of the organization's purpose and with high morale—that is, the satisfaction of the needs of the members of the organization. I believe there are correlates. Independent observers and in-

dependent researchers here and there and everywhere are beginning to point toward certain things which do seem to be common.

Negative Factors

It is pretty clear now that the achievement of an organization's purpose does not require all sweetness and light. Many of the writers in this field in previous generations were dubbed sweetness-and-light experts because the emphasis was on "good organization means everybody loves everybody else," and there never is any argument, never any quarreling, never any disagreement. The actual fact is, I believe, that when you get that kind of an organization, you have an organization which is dead on its feet. Only when there is honest disagreement, and sometimes fairly open conflict within an organization, does it move, grow, and develop—assuming, of course, that conflict is not carried to the point where it interferes with organizational effectiveness.

The second negative factor is that no set of personnel policies, procedures, or systems will in themselves create organizational effectiveness. We Americans love gadgets, and we love them just as much in the personnel field as we do in the kitchen. Somehow we appear to feel that if we get enough of these into a complex system, they will make for effective organization. It is not that good personnel procedures aren't important and helpful, but we can't rely on them alone to produce organizational success.

Positive Factors: Organizational Philosophy

On the positive side there are at least four general conditions of effective organization. Foremost, I would put an organizational philosophy—a way of thinking, a way of life which permeates the organization. There must, at least, be acceptance throughout the organization of its goals. There needs to be some accepted and common attitudes about the task of the organization, recognizing that the task is accomplished by and through people. Perhaps this seems trite, but it's surprising how often it is assumed somehow that if they "get out the production," that's the important thing. Effective organization demands that good human re-

lations and high production somehow be reconciled, for we accomplish everything we accomplish in an organization only through people. There needs to be, in short, a realization that the problems of human relations are everyone's job in the organization and are central to the accomplishment of the organizational purpose.

Part of this philosophy, I think, also consists of some attitudes about people—respect for the individual personality and his dignity, confidence in the potentialities of people. So often there is practically an assumption that "we in management" are elite, and that "those stupid bums" on the line maybe can get along, but they haven't anything to contribute other than what they can give with their hands and their muscles. Yet we discover over and over again, when we put it to the test, that even the lowliest worker sometimes can know more than even management about some things.

There is the example of "Big Ears" Boyer who volunteered to reconvert some large equipment in a steel plant with the aid of a plumber's helper and a little material and save the company a lot of money. When finally, through pressure from the union, he was permitted to try the experiment, he made the change at a cost of $700 as against a bid of $35,000 from an engineering firm. The point is simply that we tend to underestimate the capabilities and the potentialities of what we think of as the "simple" members of the mass in our society. An organizational philosophy which accounts for these potentialities, which includes genuine belief in people, is imperative to successful organizational operation.

Mutual Confidence and Trust

As a second positive condition for organizational effectiveness I would put a necessity for mutual confidence and trust between the members of the organization. Here we often assume that people who literally hate each other can somehow work effectively together in an organization. It's possible, of course, to dislike the behavior of an individual without hating him. We find, in the parent-child literature, the point stressed over and over again that you

have to love your children, but that doesn't mean you have to love everything they do.

I think the same thing is true with any type of organization relation. But when you have a face-to-face relationship with persons—just as in a family—and some of those persons literally hate each other, there is no practical way of getting organizational results. There is only one answer and that is one or the other of those has to get out. Without mutual confidence and respect, it is hardly possible to have an effective organization.

Communication That Works Both Ways

A third essential is genuine two-way communication. More and more, it's becoming apparent that communication within an organization has a great deal to do with its effectiveness and success. People need to understand what goes on, above and below. People need to have the opportunity to talk out the things that are troubling them.

Industry spends a lot of time and millions of dollars on communications devices—conference programs, letters from the President, all kinds of placards, and so on—largely to teach the workers, as they say, "the facts of economic life." This communication is, usually, strictly one way. Consequently, the dollars spent on communication are sometimes not merely wasted, but they have a negative effect, rather than a positive one. You must have communication both ways for an effective organization.

Personal Satisfaction on the Job

Finally, as a requirement of an effective organization, we return to this matter of personal satisfaction. There must be conditions which make possible what I'd like to call satisfaction on the job. It's a very interesting fact that most of the rewards which come to people in organizations are rewards which they can utilize only when they leave work. You can't spend your pay at work. The only value it has in terms of satisfaction at work has to do with whether you get more or less than somebody else. Benefits, such as insurance, recreational programs, annuities, vacations, and so on down

the list, are utilizable for personal satisfaction, in general, when you go elsewhere.

The result is that many times work becomes a kind of punishment that we undergo in order to have satisfaction elsewhere. I don't believe it's possible to have effective organization under such circumstances. I think we must find ways to make work itself a satisfying kind of experience for people. It's interesting to see how much energy people put into sports and hobbies, and plain hard work outside. It isn't a matter of getting people to work; they'll work if there's satisfaction in it. The problem is finding ways to make the work itself satisfying—to make it not a kind of punishment, but a pleasure.

Significance of Personality

Undoubtedly there are a great many other factors which influence the effectiveness of a human organization. Undoubtedly, as we go on studying and as the research piles up, different emphasis will be placed on the factors I've described, and there will be different interrelations among them. Those I have mentioned appear to me to be significant today.

Now, if you will, note that all of the things I have described are dynamic, not static. These are functional relations within an organization that change with the organization's nature and history. Where does the leader come into that setting?

Except in a very small and probably somewhat unique organization, it certainly seems that these conditions tend to be the results of the efforts of a person or persons whom we look at as the leader. Let me illustrate: Two or three years back, the National Planning Association undertook a series of case studies in about 15 industrial plants looking toward answering the question: What are the causes of industrial peace under collective bargaining? Some of these have already been published, and a final report is anticipated.

I think those of us on the research committee were convinced when we started that we would find that the effective conditions emerging from these studies had little to do with the personality of the individual who happened to be the president or the key executive in the or-

ganization. As we now analyze these studies, it is apparent that the successful situations bore no relation to the personal characteristics of the particular leaders. But one thing is very clear: In every one of those case studies, some individual, usually the president or a key member of the top executive group, seems to have been a critical factor in what happened.

The successful labor relations were not achieved independently of a person, but the personality of that individual and his particular characteristics don't seem to have been particularly significant. Size, the complexity of the organization, the difficulty of relating the purpose of the organization to the needs of the members—and I think the psychological need for a parent-symbol—all of these appear to make necessary the presence of a person who somehow coordinates, stimulates, and interrelates the variables that we're talking about.

The Role of the Leader Is Important

So the role of the leader, as I see it, is important. Perhaps, in some circumstances, it can be shared, as in a small hobby group. Perhaps some day, with more knowledge, more skill, or with a different cultural pattern, the role of the leader can be spread through an organization to the point where the person isn't as essential as he is when we think of leadership today.

The important point I would like to stress is that it isn't the nature of the leader but the nature of the relations between organizational goals and human needs. Those essential relations are the important factors which determine the success of an organization.

In summary, understanding the nature of effective leadership is not a matter of a search for personality characteristics. More pertinent questions are: What are the conditions of organizational effectiveness . . . how does an organization achieve its purpose? When we

look in that direction—taking into account the need for willing collaboration and the need for personal satisfaction—the functional relations between those variables become the focus of attention.

Conditions of Effectiveness

Then, the conditions of organizational effectiveness—at least a few of them—are things like these: First, negatively, it doesn't require sweetness and light, and it doesn't require any particular set of systems of personnel administration. We can find, incidentally, organizations that have common patterns of personnel systems at opposite extremes in terms of the health of their human relations.

On the positive side the conditions include (a) the presence of an organizational philosophy which permeates the organization with goals that are at least accepted by the majority of the members and with certain attitudes about the task to be performed, particularly stressing the importance of the human relations side of that task, and with certain attitudes about people which take account of them as human beings with genuine potentialities, with unique personalities, and with human dignity; (b) mutual confidence among individuals within the organization; (c) genuine two-way communication; and (d) opportunities for satisfaction at work in the job situation.

Therefore, leadership to me is a set of dynamic functional relations between organizational purposes and the need for satisfaction of its members. The establishment and the coordination of those relations in most complex organizations seems to require a person, a leader. That may not be an inevitable requirement. But it is fruitless to seek a "leader type," or to seek characteristics which will be found in the effective leader regardless of the organization's conditions and of the needs of the organization's members.

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