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# Thoughts on the Modern Leader and His Organizational Environment

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## **1. Introduction**

### **1.1 Influence of Democracy in the Power Plays of the Organization**

Power and especially the power to influence human beings, power to unite persons within an organization and society cannot be ignored because of the important role it plays. It is a capacity that can be used to make or destroy human life, society and well being. In order to understand power, it is necessary to know the agents of power, how they wield it and for what object. In our modern environment the agents of power face a changing society that is more Democratic. I mean by democracy that “at the heart of the democratic ideal lies the notion of equal freedom for all to deliberate the aims of society”<sup>1</sup>.

This paper considers power as the steward of means of production, knowledge, technology and competitiveness. In addition, we will also consider the emergence of a working environment that threatens to evade the private lives of individuals by breaking down barriers between the work place and home. Not a few people propose the development of technologies that reduce this tension between the work place and life in the family. This theory and its proponents hold that merging the two reduces the tension between the demands of family life and those of the work place<sup>2</sup>. The summary

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<sup>1</sup> Butcher, D and Clarke, M., Political Leadership in Democracies; Some lessons for Business: Emerald Group Publishing Limited, Vol. 44, No. 8, 2006, P. 987

<sup>2</sup> Helgesen, S., New sources of Power: We need a New Model of Leadership; Leadership excellence, Executive Excellence Publishing, May 2008, [www.sallyhelgesen.com](http://www.sallyhelgesen.com)

effect of this technology is to disperse power from the top to the ranks through the diffusive reach of knowledge throughout the organization.

The underlying principles of democracy continue to have great influence over the exercise of power in society. These principles may be summarized as, a) the central classical principle of liberty (Held, 1987), which basically holds that people should live together as equals under the law yet, free to pursue their own interests (Starrat, 2001); b) conflict and competition for scarce resources as a consequence of the desire for individual autonomy, which cleaves to the idea that “competitive politics gives power to the people”<sup>3</sup> (Barry, 2002, p. 157); and, c) a democratic society that acknowledges the inevitability of diversity of opinion (Patten, 2001), the stronger the degree of factionalism, the greater the need for institutional structures that encourage participation (Robertson, 1976; Held, 1987)<sup>4</sup>.

As organisations become more democratic their structures of governance also change. An organization that has adopted a democratic style espouses the following features; a) structures that ensure more stakeholder participation in decision making in order to grant greater legitimacy to the leader; b) an ability of the electorate to punish leaders through elections; and c) structures that allow representation in order to mediate the extremes of either potential tyranny or anarchy<sup>5</sup>.

Mintzberg suggests that so far in literature, organizations may have been categorized from two perspectives; a) according to those whom they are supposed to serve and, b) in terms of how they achieve control over their members (and the related form of member involvement). He presents these features from the perspective of internal and

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<sup>3</sup> Butcher, D and Clarke, M., Political Leadership in Democracies; Some lessons for Business: P. 988

<sup>4</sup> Butcher, D and Clarke, M., Political Leadership in Democracies; Some lessons for Business: P. 988

<sup>5</sup> Butcher, D and Clarke, M., Political Leadership in Democracies; Some lessons for Business: P. 988

external systems power<sup>6</sup>. He suggests that as an organization grows it experiences the impact of influencers, or "stakeholders", who are people who use "voice" to attain their needs through an organization. They may be divided into internal (essentially the full time employees or volunteers; those with major time commitments to the organization) and external the others, (Government, creditors, customers, political, industry competitors among others. The "internal" and "external" may be described as forming an internal and external coalition respectively where is described as a set of people who vie among themselves to determine a distribution of power<sup>7</sup>.

## 1.2 Weaknesses of the Concept of Power through Democracy

It is evident that organizations in society have undergone an evolvement from more autocratic power to one of a democratic nature where decision making is not a top down concept but rather one that allows more participation from a wide ambit of "stakeholders". Mintzberg's perspective is that the nascent organisation starts with autocratic power, but autocracy does not prolong its presence in organizations throughout the life of the organization. From autocracy, which is apparently necessary at the early stages of the organizational development, power seems to mutate to; either meritocracy, missionary or instrumental power; and then onward to what Mintzberg calls a closed system in which power systems tend to become diffuse, complex, ambiguous, and less functional, even though, ironically, more stable. All these stages develop by passing through what he calls a political arena, basically a period of conflict and instability in the organizations power structures<sup>8</sup>.

Surprisingly, the democratic environment of the organization does not seem to survive long with the organization. Research has shown that while the transitions between configurations of power in the organization appreciate the role of democracy and

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<sup>6</sup> Mintzberg, H., Power and Organization Life Cycles, Academy of Management Review. 1984. Vol. 9, No. 2. P. 207

<sup>7</sup> Mintzberg, H., Power and Organization Life Cycles, p. 208

<sup>8</sup> Mintzberg, H., Power and Organization Life Cycles, p. 208

change accordingly, this does not grant them stability. In fact the hypothesis is that no matter how much democratic or participatory the organization becomes, ultimately, it turns back to autocracy and power lies in a group within the organization whom, to paraphrase Lord Acton, their absolute power tends eventually to corrupt them absolutely. Arrogance, as shown in the distribution of surpluses, may demean the organization through over-politicization.

Hence, it is hypothesized that the eventual transition of a closed system (and a meritocracy, no longer able to renew itself) is likely to be towards a political arena, in the form of a politicized organization (i.e., pervasive and moderate conflict). The transition from closed systems is necessary because there tends to be over indulgence in power and blindness to external forces. It is hypothesized that, although political arenas tend to help the organization renew itself; over a long period of time authority may cease to have the power to renew itself. Much like the legendary Phoenix, that rises from its own ashes every five hundred years to begin a new cycle, what pray, would lead the organization from complete failure? Mintzberg gives us a weak answer. The organization can renew itself when junior administrators replace senior ones. The closed system contains no natural means of succession, other than for the established leaders to name their own successors. Politics emerges as the natural means to displace an ineffective leadership. Sometimes radical change in strategy is necessary after such a change in leadership in order to renew the closed system. But its internal coalition, being bureaucratic, tends to resist such change. Thus, the organization may have to revert to autocracy for a brief time, suspending bureaucratic procedures in order to allow its new leader to exercise personal control to force the necessary changes (Mintzberg, 1979, p. 347). But this tends to last a short time.

Research shows that although succession in organisational leadership is a highly political; a zero-sum game; there can only be one winner. Various groups and individuals have vested interests in the outcomes, and their interests are real; jobs, money, influence, power. Any CEO position that is worth having comes at the cost of playing

politics<sup>9</sup>. Politics is the result of a democratic mentality and it shows that no matter how much participation takes place, ultimately there has to be a leader who exercises power to lead an organization towards its future objectives. This leader has to be virtuous.

James Kouzes' 75,000 worldwide questionnaires summarized four of these as honesty, visionary, competent and charismatic<sup>10</sup>. Jim Collins, in his seminal work 'Good to Great', researched 1,435 companies trying to identify those which performed better than the best consistently. He found out that the leaders of these companies invariably had to have what he called Level 5 leadership. In other words the leaders who drove their companies to the highest performance levels were those leaders who portrayed humility and will power. He described them as modest and wilful, shy and fearless. He expounds this statement by saying that the most powerful executives, from a results perspective, are those who possess a paradoxical mixture of personal humility and professional will<sup>11</sup>.

In a research commissioned by the United States, Public Sector Consortium in 2003, leadership challenges in a democratic society showed that, while the constitution assures that Government represents the will of the people by requiring elections; once chosen the elected official through his/her appointees, is charged with fulfilling campaign promises. The campaign against incumbents creates distrust of career civil servants who are perceived as keepers of the status quo and thus suspected of resisting new initiatives. This distrust leads to suspicion regarding attempts to educate the appointed official and reduces the speed and effectiveness of the learning curve in both groups. The slower learning curve, disparate views of stakeholders and complexity of government systems inhibit the leader's ability to manage the difficult integration of new initiatives with ongoing efforts. The inability to manage the complex system leads

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<sup>9</sup> Mercer Delta Consulting, LLC, Leaving a Legacy; How CEOs Effectively Manage Their Successions; Mercer Delta, 2003, p. 14

<sup>10</sup> Coaches@Work, Leadership Credibility; A process to build a flourishing career and cultivate lasting relationships; Coaches@Work, White Paper, 2005, p. 2

<sup>11</sup> Collins J., Level 5 Leadership, The Triumph of Humility and Fierce Resolve; Harvard Business Review, Boston, 2001, p. 67

to focus on a few high visibility initiatives that can be managed by the new incumbents and accounted for to the voting public<sup>12</sup>.

The effect is the perennial re-direction of resources to support new initiatives. The lack of higher management focus on initiatives reduces management's morale and productivity: This leadership dilemma impacts the leader's ability to produce effective long-term results. This further impacts the perception of career employees<sup>13</sup>. In effect, democracy tends towards what Mintzberg calls a "closed system", where leaders defend their positions against a complex and distrusting audience. The sad thing is that the clamour for democratic structures continues, yet evidence bears itself that it is not a highly effective system.

Leaders ought to begin the slow change towards a system where power is placed in the hands of an appropriate team with a capacity for advancing highly effective sets of objectives to drive society towards its common good. I do not imply here that the individual should forego his freedom to a good leader whoever he may be. But rather, the leader ought to ensure that a state or a society or an organization has the qualities that allow the individual to achieve his greatest good effectively. The leader is there to ensure that there is justice, peace, education, effective governance, freedom (here freedom means to act freely towards the objective good end, which Aristotle would have us acknowledge is the happy life of the citizens<sup>14</sup>).

The conclusion from the above research is that democracy, in the medium and long term, is indifferent to the good of the very persons who legitimized it. We can also conclude that democracy, as the presence of an extensive participation by the constituents or citizens or members of a society in decision making, ends up totally divorced from the good end of the society. Democracy sacrifices the common good of

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<sup>12</sup> Bishop, G. et al, *The Leadership Dilemma in Democratic Societies*; Public Sector Consortium, 2003, p. 3-5

<sup>13</sup> *Ibid.*, p. 5

<sup>14</sup> *Gran Enciclopedia Rialp*, Tomo II, Ediciones Rialp, Madrid, 1971, p. 773

society at the altar of universal suffrage; making universal participation of the constituents of society an end in itself rather than a means towards the good end, *telos*, of society. Somewhere along the path of our contemporary wisdom, democracy was meant to have evicted evil autocracy and to have ensured that evil leaders were ultimately subservient to the citizen who could by democratic institutions evict him. But in the end democracy has become the autocrat of anarchy, where any opinion and perception is good for the simple reason that it is an opinion. In not a few cases the prevalence of influential opinions goes hand in hand with the power to fund political processes and getting votes. He who has the money and the votes calls the shots. In the end the objective common good of society is sacrificed for the sake of all the possible dimensions of 'powerful' opinions. No wonder the result is autocracy based on political games in a closed system where the richest person and the best 'dancer' takes the throne and stays until the next dancer topples him through the so called "democratic process". But to what can we attribute the dictatorial tendency of democracy? It is certainly not the democracy Aristotle thought of or that which was exercised in Sparta.

### 1.3 Democracy and Modern Thought

Classical democracy as previously opined is the political philosophy that calls all members of society to participate in government through universal suffrage to avoid autocracy and tyranny. The principle is that the government should take into account as many views from its citizens as possible. A democratic government has to build structures that allow this plurality. But ultimately the rationale for democracy in western society was negative. It was in the end proposed in order to avoid the possibility of Autocracy. The central principle of classical democracy is liberty (Held, 1987) – people living together as equals under the law yet, free to pursue their own interests (Starrat, 2001). As a consequence of the desire for individual autonomy, conflict and competition for scarce resources is also central to the enactment of democracy. Therefore it is

considered that “competitive politics gives power to the people”<sup>15</sup> (Barry, 2002, p. 157). If a democratic society acknowledges the inevitability of diversity of opinion (Patten, 2001), then the stronger the degree of factionalism there is, the greater the need for institutional structures that encourage participation (Robertson, 1976; Held, 1987)<sup>16</sup>. But, given the loss of morality based on religious truth, democracy gives birth to the dominion of the state and dominion of the bureaucratic structures and man is subservient to the law rather than the law for the common good of man. This is because the one who holds the power calls the rules since any opinion is valuable however wrong it is. The result is that the society knows not the peace and tranquility it had sought after. Nihilism, uncertainty and the loss of hope in the future is manifested in the breakup of the family unit. The government through its statism or dictatorship has enshrined every wind of thought, including the change of the meaning of marriage to include same sex unions, secularization of religion and morality. Yet, the world is richer than ever amidst so much inequality and poverty economically speaking. Truth and morality are relative and up for grabs. The European Union Constitution refused to acknowledge God.

The state of affairs needs to change if Europe is to gain its lost glory. It seems worthy to go back to the historical roots of Christian faith. It ought to understand that material well being and liberal democracy without morality based on truth is a mirage. Science and faith have the same fountain of wisdom, which the highest good of society and of every man. Democracy ought to order freedom to truth. Europe has to concede that in order for these to happen governments have to be given the capacity to demand the return to reason and faith. Given the plurality and belligerence against God, Europe ought to structure governments that, while allowing universal suffrage, would also allow power in government institutions to safeguard the objective morality. But this is next to impossible given that it would demand a total re-enculturation of Europe into Christian truth. Hence, I have no doubt that there lies two singular paths to this state of affairs;

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<sup>15</sup> Butcher, D and Clarke, M., Political Leadership in Democracies; Some lessons for Business: P. 988

<sup>16</sup> Ibid.

the first is “dictatorship” by the good, meaning a virtuous government and wise virtuous leadership with the power to govern a restored Europe, secondly, the positive restoration of the Christian faith and institutions in society, in search of an objective truth. I have no doubt that if these fail then we will have to find a new champion for Christianity and its testimony to the world. That to my mind would be tumultuous, but yes, the world has already known other renewals. The Roman Empire disappeared and so did Macedonia before it but the world marched on course and truth was never wiser and free.

### 1.4 My Proposition on the Wise Leader

I propose to consider power from the perspective of a person having influence or influencing another for the sake of the good of the other. Not as democracy would have it, a leader who exercises power to win as many disparate votes as he could and eventually fulfills much less than he promised. I would like to keep in mind that very often in our study of management of organizations, economies, politics and society, the qualitative significance of the good of the person has been totally eviscerated to give way to *quantity* and *measurement* as the only way of appreciating the effects of a leader and his power. The human person has become a mere statistic in the manipulation of data to suit the ends of impersonal bureaucracies, economists and politicians. I feel this is the consequence of a fervent *rationalism* and *relativism* that has preceded us in the last two centuries. It is as Max Weber would have wanted it when he proposed that the world is irrational and therefore man the political has to put order in the world by use of impersonalized violence<sup>17</sup>. The result is, as George Orwell puts it, that we use words today - “meaningless words” that are endlessly repeated in the political arena. Words like “freedom,” “democracy,” and “justice,” Orwell explained, have been abused so long that their original meanings have been eviscerated. So is the case with the word

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<sup>17</sup> Gran Enciclopedia Rialp, Vol. XXI, Ediciones Rialp: Madrid, 1972, p. 502, quoting, Tonnies, F., *Gemeinschaft und Gesellschaft*; 8th Ed., Leipzig, Stuttgart, 1935

'person', as word or reality, does it rarely have a meaning. Statistics do have a meaning and that has become all important.

The concept of "power" as a noun is applied to many things with regard to our mundane reality. It may refer to the power to influence others, sometimes confused with authority; it may also signify the authority vested on something like the law or the legislature; to signify the force or energy that a material object is capable of exerting, such as electricity or the strength of an arm. It is also used to describe an attribute of a high position in society as opposed to the person who holds the office, such as the powerful office of a minister in government or the office of the chief of police. It may also be used to refer to the objectives bestowed on an organization by its founders or any association or group of people who together have formed a powerful institution, such as the military, or police force, or the nation-state. The term has its use in mathematics, as in 2 to the power of 2 is 4. As an adjective it has mainly been used to express the exertion of a particular force or energy. It may describe a particular quality in a thing, in so far as this thing has an inherent force or energy towards something else.

In order to study the concept of *power* as the capability to influence others towards an end or objective, I will use the word *power* as a noun whose etymology is the Latin word "*potere*", meaning "*to be able*". This dimension of the word *power* has a corresponding adjective which is the word *potent* or *agent*. I will use this word *Potent* to refer to "*the person who is able*" or simply the one who holds the power to influence others.

## **2. Foundational Principles of Power as Influence over Other(s)**

### **2.1 The meaning of Power**

I propose that the material object of Power is "the influence of another person towards a specific end" while the formal object is "the way a person influences another". To understand this perspective we have to understand that power as such means to have the capacity "to do something" deliberately and voluntarily. It is the capacity to move

oneself or another from a state of potency to an act. This means the movement from the state of imperfection (potency) with regard to a perfection that is due (act). A human being acts deliberately and freely primarily because he is rational. An animal or other inanimate object cannot in this sense have “power”. To be rational implies acquisition of Knowledge or to be in the state of knowledge. Hence, the Aquinas dictum that “we have the power to know” wherein lays the power to act. Mintzberg considers his own definition and quotes others. His definition of power from the point of view of the organization is “the capacity to affect (or cause an effect on) behavior in organizations”. He acknowledges the meaning of power as Dahl (1957, p. 102) defines it, “to be capable of”. He elaborates that to have power is to have the capacity to ensure that determinate things are done, to effect actions and decisions that have been taken. He then gives a wide consideration of other meanings in academic literature such as; Bertrand Russell (1938, p. 35) who defines it as “the capacity to produce desired effects”; Rosabeth Moss Kanter (1977, pp. 166 and 247), “the capacity to for doing”. Kanter, much later adds “mobilization of resources” in the classical sense of potency and energy<sup>18</sup>.

Mintzberg, elaborates his definition but putting a caveat. He says that when power is simply defined as a capacity to change the behavior of an organization it is open to manipulation. He therefore includes the concept that what is important is not what is carried out but the one who influences the action. As McCall (1979, p.186) says that power is primarily “imposition of ones will on another”. Kanter and McCall use the word ‘influence’ in place of ‘imposition’. Mintzberg concludes that it is not realistic to separate the quality (noun) of power with the exercise of power (verb). He therefore uses the noun and the verb in an indistinct fashion. In this there seems reason enough to concur that the exercise of power and the power itself adhere in the person and so should not be separated. One is the person with virtue and the other is virtue exercised.

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<sup>18</sup> Mintzberg, H., El Poder En La Organización, P. 5

## 2.2 On Power and the Actualization of Power

With regard to the power to influence others to act towards an end one may say that the 'ability to power' or 'capacity to power' is the state of virtue adhering in potency in a person and the exercise of that capability is the 'realization' or 'act' of that power. For example, one can have the power to influence others while not being physically present, through the virtue of love of another person or the fear another person may have of the powerful leader. This two aspects can be understood better when one considers that in the Spanish language, there is power (poder - noun), the capacity to power, and the power (potestas – verb) the act of influencing others, when the others acknowledge it. In the English language the two concepts have only one word, "power".

In his twelve propositions over the concept of Power, Alvaro d'Ors proposes that power (Poder) is the personal disposition towards the means necessary for the effective organization of a social group. He further states, when this personal disposition to organize is accepted by the group it is called potestad – (in English we use the same word power). He further explains that when the act of leading others or governing others derives from a natural and traditional exigency or demand and therefore does not arise directly from a pact between the leader and the group, then the society is called a community, and is also to be governed fundamentally by the principle of legitimacy. When a person with power (potestad) acknowledges and is persuaded (obeys the right of potestad called upon him by the people), he has authority over the people, but he should never confuse his legitimacy with the authority he has although they arise from the same fountain, his capacity to power. Suffice it to say that when a leader or potent confuses his legitimacy and authority it often results in despotism. To understand that the legitimacy has to be continually renewed is the difficult virtue of humility on the part of the leader and he has to keep renewing it<sup>19</sup>. There is an old dictum that says "power corrupts, and absolute power corrupts absolutely". This corruption primarily refers to the enjoyment a leader experiences when he is legitimate

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<sup>19</sup> d'Ors, A. *Ensayos de Teoría Política*, Eunsa: Pamplona, 1979, p. 111-2

and has authority and confounds his authority with his legitimacy. So with humility, the leader has to acquire prudence, which consists in choosing the ends and the means to the ends of the organization of a society.

This means that the leaders have to be wise counselors and have to engage the wisest counselors to advise him and administrate. The wisdom of organizing cannot as such be left to a large impersonalized bureaucratic system so that decisions are never made on time. Bureaucracies have no soul, but man has a soul wherein his wisdom lies. Men go forward by different paths but strive to reach one end, which is happiness. And that happiness is that, to which if any person attains, one can desire nothing further. It is that highest of all good things, and it embraces in itself all good things; if any good is lacking, it cannot be the highest good, since then there is left outside it something which can be desired. Therefore happiness is a state which is made perfect by the union of all good things. This end all people seek to reach, as I said, though by different paths. For there is implanted by nature in human minds a desire for the true good; but error leads them astray towards false goods by wrong paths<sup>20</sup>. This process is what we refer to as true wisdom. While we are in a transitory nature, an imperfect nature, where we can not realize perfection and thereby achieve wholesome happiness, we have to keep going towards it. For in this lies hope for a better future. To cease to act this way, because the perfect is unachievable, leaves us resigned in an imperfect state without hope of a better future.

### 2.3 The Wholesome Nature of Man

Thomas Aquinas, while deliberating on Aristotle's commentary of the soul says that "The soul is given to man in the place of all the forms, so that in a certain sense man might be all things."<sup>21</sup> And what is the soul? The meaning of soul is in the definition of a person given in the 6<sup>th</sup> century by Anicius Manlius Severinus Boethius<sup>22</sup>; "*Persona est*

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<sup>20</sup> Boethius, *Consolation of Philosophy*, I, p. 18.

<sup>21</sup> Aquinas, St. T.: *Commentary on Aristotle's De Anima*, 3, 8, lect. 13.

<sup>22</sup> Boethius', *Liber de Persona et Duabus Naturis*, ch. 3

*rationalis naturae individua substantia*”- “A person is an individual substance of a rational nature.” The rational nature is the soul; the vivifying substance of a living being which has knowledge as one of its key attributes. The key idea here is that through knowledge we are able to fathom almost all realities. For example, from the fact that one can have a picture in his mind of what a successful company should be like, he has seen one and has considered what success is, he can make this an objective for himself and the others in the organization. Here again we see that the greatest virtue a leader ought to have is Prudence. In it the leader constantly renews his legitimacy and thus his authority when he maintains the “appropriate” organization of society or community that enables them fulfill their personal objectives. The leader’s main ability lies in organizing a society or a community of persons. It follows that of the most important attributes of a leader, prudence or wisdom, is fundamental, and wisdom should not be confounded with mere intelligence. The intelligent can be very unwise if they do not have the virtue of choosing the right end and the right means to it. However, the intelligent man can attain the virtue of prudence if he so desires.

### **3. On the Foundations of an Organization’s**

Going back to Mintzberg in his treatise on *Power in the organization*, once he has explained that both noun and verb are to be applied conjointly to mean the same thing, he jumps to the objectives hidden behind the decisions and actions made by the organization. The link between the person’s capacity to do or the capacity to power and the realization of the legitimacy of that power through the acknowledgement of the power by the persons to whom it is directed (the subjects) is left for us to decipher. One can abstract, and consequently know, what the ends of a company or institution should be in order to go towards them efficiently. One could call the abstract knowledge or ideas of the future success of the company as the objectives. The one who has this knowledge and is capable of exercising it has power to move the others in the organization towards those objectives if and only if the others acknowledge his power. That is, if and only if the leader is legitimate and has authority in the organization.

Failure to achieve this legitimacy and authority means that the persons in the organization and those who can affect it from without will try to demean this authority and frustrate the objectives of the leader. In order to fit into Mintzberg's mould we need to understand that the organization's objectives can only be achieved with the stakeholders of the organization, both inside and outside the company who have the 'power' or capability of making the objectives futile.

The function of effectively organizing a society of persons is called governance and d'Ors compares this governor to the pilot of a ship. He further proposes that when the act of organizing others (potestad) is constituted by the mere will of those who form the social group; this group manifests itself as a society. The society in this case is to be governed by conventional and changeable rules and regulations; that is, by the principle of justice.<sup>23</sup> We can also say that the nature of leadership is a form of the exercise of power.<sup>24</sup> Applying this idea to the leadership of an organization we can say that that the organization takes the form of a society of persons who acknowledge the leadership of the entrepreneur or his successors through the principle of legality. The leader's legitimacy therefore does not arise from a conventional democratic system but by design at the foundational level; and the subordinates will adhere to this leadership.

### 3.1 The organization as a Society of Persons

Based on past research the terms *Community* and *Society* are different and conceptualize two different organizations. When one speaks of a Community it is understood that he means the effect of an individual person's intimate relationships whose end is to form common values (Georg Gurvitch, Karl Jaspers). According to the German Ferdinand Tonnies' thesis, *Gemeinschaft und Gesellschaft*,<sup>25</sup> translated as *Community and Society*, the community, such as the family, the tribe and the village

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<sup>23</sup> d'Ors, A. *Ensayos de Teoría Política*, Eunsa: Pamplona, 1979, p. 112

<sup>24</sup> Erausquin, G., *The Angelus, The nature of Catholic Leadership*: July 2000, Volume XXIII, No.7

<sup>25</sup> *Gran Enciclopedia Rialp*, Vol. XXI, Ediciones Rialp: Madrid, 1972, p. 502, quoting, Tonnies, F., *Gemeinschaft und Gesellschaft*; 8th Ed., Leipzig, Stuttgart, 1935

comes to being, grows and develops naturally<sup>26</sup>. Ordinarily the communities unifying principles are parenthood and common life and the key relationships within the community are based on trust and understanding, fidelity and affection, and most of all Love. The persons in community tend to have extensive blood relationships, tradition and history of common life. A community is different from a society since a society is the conglomeration of persons is artificial. They come together as a result of chance, contractual relationships or rational ends such as a company, factory workers and so on<sup>27</sup>. Unlike Max Scheler, I do not think that the society necessarily is the result of the decadence and decomposition of a community. Societies may in fact augment the bond of a community if applied formed properly. For instance, the employees of a business enterprise will take care of the well being of their families largely because they earn a salary; besides, working within a society, such as a company, can be a channel of contributing and serving to the community.

There other theories which have given a society different predications. H. Spencer proposed in the late 19<sup>th</sup> to early 20<sup>th</sup> century a theory of society based on the concept of an organism<sup>28</sup>. Max Weber, spoke of the society as an investment which conforms to a deliberate ordering and that is relatively constant. The individualists and nominalists see the society in the light of the pure contractual theory, which proposes that the bond between persons in a society is the pure fruit of the persons will or volition. Thomas Hobbes, Jean Jacque Rousseau, agree to this and further explain that the volition to contract with a society arises from the reflexive will determined by the knowledge of human needs and therefore the inter-subjective relationships arising reside in a new individual utilitarianism. At the furthest point of this theory is G, Tarde who simply says that a society is purely physical bodies juxtaposed. One could also consider the conflict theory of Karl Marx who sees a society as a juridical relationship based purely on an underlying economic infrastructure and the state as the productive force – hence, communism. For him the history of man and society is the history of class conflict and

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<sup>26</sup> Gran Enciclopedia Rialp, Vol. VI, Ediciones Rialp: Madrid, 1972, p. 125

<sup>27</sup> Ibid.

<sup>28</sup> Gran Enciclopedia Rialp, Vol. XXI, Ediciones Rialp: Madrid, 1972, p. 503

the dialectic counter-positioning of social classes<sup>29</sup>. Having considered the implications of these theories on the nature of a society, surmise it to say that if one were to act accordingly, they will either lead one to pure material utilitarian perception of the person; superficiality in bond between persons in a society based on sentimental ties and in the case Marx and the conflict theory, the result would be that only the state has the right of forming a society and remaining its key mover. The theories are therefore counter-posed or at most reductionist based on the knowledge we have today of societies and organizations in general.

Societies take so many shapes and nuances and therefore it is very difficult to divine their nature. However, among the many theories that have been proposed it is that of Gonzalez, that seems most in agreement with the thesis proposed in this essay. He defines a society as “the moral and stable union of a plurality which with its actions cooperates to the objectives or ends of a community”<sup>30</sup>. In this sense he explains, there are several elements that make up a society. First it is an organized multiplicity of members merely juxtaposed, secondly, there is a relationship within the plurality of persons, thirdly, that the organization or ordering of the persons has a specific moral foundation, fourthly, that this moral union rests upon the foundation of cooperation of the members of the society towards a common end, freely instituted by conventional means, in such as a way that the society is free and contingent or at times founded on a superior law wherefore the society is necessary for the community, and fifthly, that the union of the persons should be stable, without necessarily being perpetual in nature, but having a sense of permanence. From these one can surmise that in a society there should be:

- a) a plurality of individuals,
- b) who have an interpersonal relationship,

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<sup>29</sup> Ibid. pp. 502-503

<sup>30</sup> Gran Enciclopedia Rialp, Vol. XXI, Ediciones Rialp: Madrid, 1972, p. 502, quoting, Gonzalez, I., *Ethica, en Philosophiae Scholasticae Summa*, III, 2 ed. Madrid, 1959, p. 743.

- c) based on a moral union (or a juridical bond), ordered to a common moral end, instituted by convention or law,
- d) stable in character without necessarily being perpetual, and
- e) ordered to the service of communities.

Unlike the bonds of a community, blood relationship, history of common life, natural growth and development, the bonds of a society are purely legal or juridical based on an intellectual and voluntary unity. This volition has therefore to be constantly renewed based on prudence.

#### **4. Legitimacy in Leading an Organization**

What consequences would the above conclusions have on the concept of the organization and power? First it is evident to me that business organizations and similar institutions seem to have exactly the same philosophical principles of formation and life as those elaborated above with regard to the society. In consequence, it is fundamental that leadership of these institutions take into account the ends of the institution and the inherent principles of their nature. In doing so they serve the institution and the communities for which the institution is legitimized. Thus it seems in order to insist that the legitimacy of the leader in a business institution will depend largely on;

- a) understanding how to manage a plurality of individuals who may come from different communities with different cultures and perceptions of ends or values.
- b) how they defend, manage and safeguard the relationships between the persons who make up their institutions.
- c) how they management the tension between the tendency towards a sense of community in the firm and on the other end a culture that is purely utilitarian. Persons tend to build intimate relationships and bonds which may undermine the objectives of the business institution or undermine the idea of competency at work with communal bonds

- d) how leaders ought to manage informal relationships or groups as has already been broadly elaborated in human relations studies of institutions. The formal and informal groups play a fundamental role in the formation of the culture of an institution.
- e) how leaders manage the tension between the long term stability and the short term ends of their institutions. The stable nature of a business institution and at the same time its transient character within communities and societies often builds a tension between long term and short term decision making. For instance, whether to acknowledge dividend this year or to prolog for the sake of the longer term stability of the business.
- f) How leaders manage the tension between the institution's ends and those of the community. The two ought to be seen at all times as integrated. This tension has been augmented recently especially with regard to the question of the cost of financing the common good. Many authors who tend towards free market philosophy of the economy tend to feel that the role of the business institution as a service to community at large (in service to the common good) is directly opposed to its objectives of the maximization of shareholders wealth (see Milton Friedman and others). Leaders ought to walk the thin line between the two ends.

#### 4.1 On Managing Legitimacy and Authority

Power to influence another towards an end depends on the principle of legitimacy by which the persons governed acknowledge the leader's authority, and how the leader manages his authority over his subjects so as not to confound one over the other. The danger has always been that the leader on realizing the weakened sense of his legitimacy turns to the exercise of his authority as the source of his legitimacy, thereby often becoming a despot, insensitive to the plight and feelings of his subjects. The communication between the leader despot and the subject is often broken. The leader in this case forces or supervises the people to work towards his own ends rather than

those of the persons in the institution. Therefore, how does the leader manage his legitimacy and exercise his authority?

We act for or towards others in order to apply our own volition on them. We bring them our knowledge of ends and means and then we influence them to acquire that knowledge or simply concede to it. Our purpose is to persuade our knowledge upon others and to win the others to our knowledge through the power of our volition, and if successful gain legitimacy to govern. This power is a gift in every human being. The act of legitimately governing over others ought to be considered from several perspectives; firstly, in the leader or potent himself; secondly in the act of exercising governance over others; and thirdly, in the “tools” we use to apply our knowledge on others. As we have said our power is defined by our knowledge or desire to know applied or exerted over others.

When considering the leader as a legitimate governor in a business institution (or society), the leader should have excelling personal qualities of leadership more than his followers or subjects and obviously ought to have recourse to the natural demands of legitimacy. Legitimacy for many years was often confused with legality and theories around it had a purely political dimension. But this cannot be the case. Legitimacy cannot itself be entirely dependent on the legality. It ought to rest on the belief and ordered towards the objective ends of a society<sup>31</sup>.

Max Weber sought to make legitimacy central to our understanding of social institutions and political order. This is readily apparent in his famous definition of the state, which Weber argued was ‘a human community that (successfully) claims the monopoly of the legitimate use of physical force within a given territory’ (Weber 1946, p. 78)<sup>32</sup>. He proposes an empirical and existential theory based on four principles. Weber articulated three possible ideologies that could be given to support a claim to legitimacy: 1) a legal

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<sup>31</sup> Gran Enciclopedia Rialp, Vol. XIV, Ediciones Rialp: Madrid, 1972, p. 95 quoting Hauriou.

<sup>32</sup> Max Weber: *Essays in Sociology* (trans. And eds. Gerth H H, Mills C W). Oxford University Press, New York, p. 78

rational appeal; 2) a traditional appeal; and 3) a charismatic appeal. There are institutional affinities for each of these arguments: 1) for legal rational claims, democracy; 2) for traditional claims, institutionalized charisma, patriarchal, patrimonial; and 3) for charismatic appeals, charismatic leadership is the result. He asserts that “power of command” exists when “the authority which is claimed by somebody is actually heeded to a socially relevant degree”. However, this is to view domination from either an optimistic managerial perspective or pessimistic radical perspective, both of which assume all claims to be successful. But how does one know what is happening from a power subject’s perspective given that there are many ways to obey (self-interest and disinterest, and when disinterested, many ways to consider an order as legitimate)? How can one distinguish between apparent authority and an “authority-like distribution of resources” where people follow commands for self-interested reasons ignoring its legitimacy?<sup>33</sup>

Nature cannot of itself provide legitimacy. In addition to the natural capacity and legality, legitimacy is won through wise judgment and effective leadership towards the good ordering of society. Wherefore we can say that although the father of a family or community or organization is legitimate by the mere fact of founding it, he ought to prove this legitimacy through profound and good leadership. Otherwise he would risk losing the presumed legitimacy through chaos, impeachment, sacking or any other of the myriad ways of eliminating as a leader. In other words the leader needs to be virtuous and in a sense represent the highest good of all the structures of authority and every person within it; He ought to be the embodiment of the objective good encased in objectives of the executive function, law, legislature, administration of justice and the followers should all imitate him. If these were to imitate the leader in his or her vices then the society or community will break down into chaos.

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<sup>33</sup> Levine, B., *Encyclopedia of Economic Sociology*; editors: Beckert J. and Zafirovski M. (London: Routledge, 2005)

## 4.2 Principles of legitimacy

### 4.2.1 Principle of Trust/affinity to the persons;

Principle of trust and affinity means that the leader evokes a corresponding relationship to the followers because they feel the leader has understanding, similarity, likeness, resemblance, empathy, sympathy, attraction and connection towards them. Pablo Cardona's research helps us perceive this idea when he says that As long as the leader shows integrity in his or her behavior and decisions, they will follow not only his or her demands, but also what the leader does not ask for but they perceive it is important, even if it is hard and they do not enjoy doing it<sup>34</sup>. To engender this feeling or conviction on the part of the followers a leader will have recourse to;

### 4.2.2 Belonging

This means that the leader has historical affiliation physically or virtually the group. This relationship helps the people understand who the leader is. They can speak about him with and refer to him as identical to their aspirations and his qualities.

### 4.2.3 Religion

This means that the leader has to embody the "mother" or 'core principles' above which there is no other. Religion here means the principles which provide the 'eternal' reasons for doing things. Very often we call this eternal principle God, as in the Christian or Muslim God. However, persons are capable of creating their own gods, such as money, social status, power, race and the ego among many others. "That which begins where life ends" or "that which is above life". One gives his or her life for it. Followers need to identify with this religion otherwise the adherence or legitimacy is ephemeral.

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<sup>34</sup> Cardona, P., *Transcendental Leadership: The Leadership & Organization Development Journal*; 2000, Vol. 21/4 MCB University Press; ISSN 0143-7739, Pp. 203.

#### **4.2.4 Kith-and-Kin**

This is the case when one is born into the position of legitimacy like a son over his late father's wealth. These could also be Max Weber's traditional claims such as institutionalized charisma, patriarchal and patrimonial. For this to be the case, it ought to conform to the legal disposition of the society or community.

#### **4.2.5 Principle of Legality**

This means that in order to claim legitimacy and therefore exercise authority to lead others, the law of the land or the traditional customs or the democratic process has to approve.

#### **4.2.6 Principle of Cooperation in the Good of the persons;**

Affiliation to present leadership; This means that if one is to take over leadership from others who have been there before, one has to make an implicit "covenant" to safeguard their history and stability upon their demise. In the case of leadership together with others there has to be a mutual bond of ends, culture, and appropriate working relationship with the others. Cooperation with the group; means that the leader has to be seen to mediate in the concerns of the others. One has to have a keen interest on the interests of the group.

#### **4.2.7 Principle of Future Expectation (Engendering faith, certainty of the future)**

The leader has to engender and embody the faith in the future of the group. This faith has to engender in return a certainty of future wellbeing morally and materially in the minds of the people. The two go together. Faith engenders certain hope in the ends or objectives of the group.

#### 4.2.8 Principle of Love and Justice

The leader ought to be seen as ready to sacrifice himself for the good ends of the group. The definition of love used here is – to sacrifice oneself for the good of the others. This sacrifice is similar in dimension to that sacrifice seen in the commander who goes ahead of his company to fight the enemy. He does not stay back in the safety of his comfortable palace guarded and giving orders. Coincidentally most monarchies were engendered through the act of the monarch in war to create a nation state. Later, upon stability the monarch's family continued the kingdom until he was conquered by another who became the new legitimate head of the community. In his 1991 Encyclical, *Centesimus Annus*, John Paul II stated, "the main thread and in a certain sense the guiding principle of all of the Church's social doctrine is a correct view of the human person and of his unique value" (no. 11). And again, in *Veritatis Splendor* (1993), he writes: "The Supreme good and the moral good meet in truth..." Legitimacy through the democratic process may seem to burnish this principle only to the detriment of those who want to gain leadership. There is no ordering of the State so just that it can eliminate the need for a service of love. Whoever wants to eliminate love is prepared to eliminate any man for the sake of power. Besides, there will always be situations of material and moral needs where the concrete love of the leader is indispensable in order to look after the welfare of those of his group in need. Boethius says all these are firmly bound by Love, which rules both earth and sea, and has its empire in the heavens too. If Love should slacken its hold, all mutual love would change to war; and these would strive to undo the scheme which now their glorious movements carry out with trust and accord: By Love are peoples too kept bound together by a treaty which they may not break. Love binds with pure affection the sacred tie of wedlock, and speaks its bidding to all trusty friends. O happy race of mortals if your hearts are ruled as is the universe, by Love.<sup>35</sup>

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<sup>35</sup> Boethius', *Liber de Persona et Duabus Naturis*, ch. 3

Thomas Aquinas tells us that; ‘the lack of proper orientation of political power to its true end, as well as a correlative orientation towards an apparent good [or false elective end] results in injustice.’<sup>36</sup> Thus when a political leader usurps his authority or state of leadership and turns it towards his own end to the detriment of the people he leads, then he is a bad leader. He causes injustice on his subjects. For example, he wields power to cause physical harm to his subjects; he usurps the wealth of a country for his own riches; he avoids making decisions when called upon; has no integrity in his person; appoints leaders like himself; does not exercise authority to safeguard his subjects. He has changed the end principle of his leadership to a lie. He does not lead people to their common good but rather uses power conferred on him for his own well being to the detriment of his subjects. If, therefore, the exercise of power is not oriented towards its proper end it disqualifies itself as a valuable behavior and a source of obligation for the citizens affected.

#### **4.2.9 Principle of Economic Beneficence**

When considering the act itself the primary concern is whether the leader’s volition to influence others is based on true and good knowledge of ends and means and applies them correctly. Since we have already explained that truth is the agreement between what we know in ourselves about a reality and the reality itself, outside ourselves, it follows that any action over others based on true knowledge of the situation or object is likely to lead towards the good of the other if applied properly. It is likely to lead others to disaster if applied or used badly as in the good use or misuse of power). True knowledge properly applied over others leads them to a good object or end. Truth misused leads to the misguidance of others, which is abuse of power over others. Prudence is the application of true knowledge upon others leading mutual fulfillment of true ends and the confirmation of the truth inside of us. The Good end or fulfillment refers to the perfectiveness we reach in the order of ends or objects of an action. One example would be, influencing another to use a new technology in order to be

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<sup>36</sup> Thomas Aquinas. *De Regimine Principum*, Book I, Chap. I.

more productive by being more efficient. Using this example, the new technology that a person A knows is good because it is scientifically proven that the technology will bring in more production which is desired, thanks to the efficiency of the new technology. Another example would be, when a person A has the knowledge that changing the culture of work on the land of B and his community will bring about a better distribution of wealth and reduce poverty in the community. This would require A to change the beliefs, culture of work and way of life of B and his community. The presumption is that both the one who wields the power over the other (potent-leader) and the one who follows or cooperates (the follower or subject) have the same ends.

#### **4.2.10 The Principle of Efficiency**

The secondary concern with regard to exercising legitimate governance is that the right means are used to arrive to the good end. This may be called the principle of efficiency and fundamentally bound to Prudence. If there is complete or true knowledge (or at least a tendency towards perfecting the knowledge we have of an action or thing) and the knowledge of the means by which we realize that knowledge, then the action that follows will be most efficient. This means it will be efficient in the way it is carried out and in the way it leads the other(s) towards their appropriate objective or end. The good action, derived from the potent and together with the follower is accomplished also accounts for the justice due to all parties. Justice is here defined as the “to give to each one their due”. Thus, from this the potent is naturally seen as just.

When considering the way we act, two key principles need reflection. On the one hand there is the relationship between the ‘potent (s)’ to the ‘follower(s) and on the other there is the will towards accomplishing the act. The first is what we refer to as charity and the second what we refer to as fortitude or the perseverance until the accomplishment of the good action despite the arduousness or difficulties of carrying out the action. There are many ways of defining both charity and fortitude but ultimately they are used here for ease of conceptualization.

## 5. The Use of Coercion

Coercion (police and military) can only be used when the potent is actually right and the follower is unaware of the truth or simply does not have it or has the wrong knowledge of the matter in question or is overcome with fear of accomplishing the good action. With regard to charity, we are simply considering that the rational of the potent is for the good of the follower and the follower acknowledges it as such. The follower acknowledges or sees in the power of the potent his own “good” and wants and is ready to apply himself towards it and besides all that sees the potent as perfected in the action as well. In every action of the potent as we saw earlier, there is the reflexive knowledge of the potent; he wants to fulfill his own knowledge once the end is reached. When this relationship arises it is called charity primarily because the good of the person(s); both the potent and follower are primary elements in the action. From this we can then generate the argument of “legitimacy” on the part of the potent. Once the follower concedes to follow based on the above argument of charity, then there is born the legitimacy of the potent over the follower. When this rational is broken, then we have a state of abuse of power or coercion on the part potent or a state of blind submissiveness on the part of the follower. Given that the follower can be deficient of his good end, then the potent may use the legitimate coercive means to achieve the good end. Think of it as the mother and child situation. Very frequently the child does not see the good the mother is trying to lead him or her to and so refuses the leadership of the potent; wherein the mother has to use other “coercive” means to lead the child. In another way, the use of coercion may be necessary where two people or communities are fighting thereby breaking the peace and order in society. Often upon achieving the end desired by the leader, that is staying the peace and order, the follower acknowledges the goodness of the coercive means (when it is so), and legitimizes the coercive actions consequently. Coercion in our case does not mean the brutal use of the shield and sword. The old adage “save the rod and spoil the child” is very useful to understand the use of coercion. Coercion in an environment of charity as explained above is “good impertinence”. It is the proportionate use of psychological or

physical force to achieve a good end for person and society. Where coercion is deficient, disproportionate or excessive we have a state of despotism and chaos.

With regard to the will to act towards the good of society when there is a deficiency in the part of the environment or the follower, fortitude is necessary. Unless we have the courage or fortitude to carry out the true act and help others follow through, then the good knowledge is at best useless. In this weakness lies the repose of many. "Will to do" comes from the gift of volition wherein we have the virtue to *adhere* to the good or true knowledge that our intelligence abstracts or deforms (as free human beings we are perfectly able to deform the truth to suit our ends, in doing so we deform the truth and make a lie). Virtue is the good habit of acting according to true knowledge or the effort to apply oneself to that which is understood as good.