## The Effect of Manager's Decision on the Perception of the "Leadership vs. Authority" of the Subordinates

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#### Abstract

There have been long debates among scholars, and practitioners on the definition of leadership and whether leadership significantly differs from authority (Farmer & Aguinis, 2005). For example, in my opinion, leadership is defined by followers. Sullivan (2012) suggests, leadership varies based on the followers' perception of leadership, culture, beliefs, and needs, with needs being the most important driving force of the leadership. However, different people, from different geographic area, field of working and so on, have different conceptions of leadership. This difference can be attributed to various factors that affect people's decision about who can be their leader. In most cases, managers of the organization at any level are perceived as the centers of action, influence, and power. They make decisions that affect the subordinates and the entire organization. These decisions have positive, negative, or neutral impacts on the subordinates. Managers' decisions in the workplace determine whether the subordinates perceive the supervisors as leaders or authority figures or both. This paper discusses the cause of mangers' decisions, the effects of such decisions on subordinates' lives, and factors that influence people's perception of supervisors as leaders or authority figures. Understanding the relation between the causation, effect and consequences of those decisions and employee' perception about leadership can give the direction to Managers for leading the people in prolific way. Distinguishing between leader and authority figure from the view of an employee help the superiors to enhance the people management skills. Consequently, the employee found superiors a person whom they can follow and that would result in compassion toward working under them. The organization will benefit from the overall setting of the strong

relation between the Manager as leaders and employees as followers. Interviews and research findings show that, managers' decisions play an important role in influencing their perception of their manager significantly.

Power is something leaders and authority figures both have, but individuals seen as leaders do not have to rely on their power as much and follower tend to surrender themselves voluntarily to the perceived leader. Power is socially constructed to the extent that, "it exists only because people tacitly agree to act as if it exists" (Farmer & Aguinis, 2005, p. 1069). This implies that, believing that an individual has power creates the reality that power exists. This belief can be result of self-perception of the power toward a person or externally induced beliefs such as Managerial power define by the organization structure. However, it is important to note that, people's perception of a leader depends on individual beliefs, intentions, and actions (Farmer & Aguinis, 2005). This implies that, power within an organization rests with those who have supervisory roles over other employees.

### **Subordinates' Perception and Expectations of Leaders**

The perception of leader-follower relationship affects the success or failure of an organization. Therefore, it is important to understand some of the forces that influence followers' perception of their supervisors. According to Hollander (1992), most followers expect their supervisors to be honest, inspiring, competent, and visionary. Therefore, those who fail to reach such expectations are often perceived not to be fit for their positions. Moreover, followers' perception of supervisors depends on supervisors' "sensitivity to followers, support, and praise" (Hollander, 1992, p. 45). Meeting these expectations often leads to increased participation, satisfaction, a sense of being valued and low turnover. However, failure to meet these expectations might lead to apathy, loss of hope, and gradual withdrawal from the department or organization. Therefore, managers should evaluate every single decision they make to ensure it creates positive perception from the subordinates.

#### **Management Decision Orientation/Attitude and Cause**

The way supervisors perceive their subordinates is fundamental to the leadership process. Traditionally, leaders' roles were associated with legitimate power or authority as the bases of using power. For example, some people believe that "leadership is confirmed when the ability to inflict pain is demonstrated" (Hollander, 1992, p. 47). This shows that, some managers' decisions are motivated by a desire to dominate followers, rather than decision-making based on two-way influence, perception, and counter-perception of leaders as equivalent to followers. Hollander (1992) advises leaders to be sensitive to their followers when making decisions. That is, managerial decisions should be based on consensus and mutual trust rather than on power.

Some of the causes of management decisions include external forces. For example, a manager might be forced by economic forces to layoff the employees. A similar situation occurred at one US bank. According to the interviewee (former Senior Product Manager of the bank), the economy had increasingly become unfavorable thus forcing the manager to layoff all senior staff to adjust the workforce. Initially the senior staffs could not understand why the manager had to lay them off. However, based on the economic situation, the manager did not have any alternative rather than lay the staffs off. The manager approached the interviewee and made him understand that, the decision to lay him off was unavoidable and for his (interviewee) future benefit. Such managerial decision was neither caused by employee fault not the firm, but by unavoidable situations.

In a similarly interview with a former employee of a painting company, it was clear that economic situations often force managers to make decisions that might not be favorable for employees but nevertheless unavoidable. According to the employee, the economic situation was unfavorable thus the company had to lay off many workers temporarily. However, after the company's economic situation stabilized, the manager did not call the interviewee back due to payroll issues. Although the manager was willing to continue working with the respondent, he could not do so because the company had to further adjust the payroll. In such incidence, the manager's decision was driven by unavoidable

circumstance. The ex-worker started his business that helped him more than being employed by the company.

Similarly, some managers make decisions based on the hidden reasons such as emotions. In an interview with a former employee of an environmental consultancy company, the manger laid the respondent off because the manager was jealous of the subordinate's family. According to the employee, the conflict between the respondent and the manager started after the respondent requested for a maternity leave, "When you come back, you would not be at the same level anymore as your peers" (personal communication). From the interviewee's point of view, the manager was jealous because he (manager) wanted to start a family but his wife was not committed. After the respondent resumed work after 4 months of maternity leave, the manger began questioning her (interviewee) loyalty to the work. Although the respondent performed her duties with the same effort as before she left for maternity, her priorities at work changed, the manager became disorganized and sometimes she was forced to work until 9: oopm.

After the manager realized that the respondent had been discouraged, he (the manager) concluded that she was no longer interested in her work. The respondent was eligible for a promotion, but the manager not only refused to recommend her, but also moved on and told the Vice-Chairman of the company that, the employee preferred her family for the work. At last, the manger laid the respondent off and told her that she would never be employed as a consultant because she was not qualified. In this case, the manager's decision was emotional and meant to destroy the subordinate's future career. Managers should always act professionally and avoid making decisions that are likely to sabotage their relationship with employees.

### **Effect of Management Decision/Behavior on Subordinates**

Manager's decisions might have positive, negative, or have no effect on the subordinates (Kellerman, 2010). An example of a managerial decision that had a positive impact on an employee's career was illustrated in an interview with a senior Database Administrator of Secure Computing Company. Sometimes, subordinates might fear making decisions that would help them. However, through the help of their mangers' advice, the subordinates

might gain courage. For example, the Secure Computing Company manager advised the employee on the new project CRM on sales automation, vendor dealing and customization of different models. The manager then requested the administrator (respondent) to handle and supervise the project.

However, the administrator had just been employed in the company thus he was not willing to take charge of the project. The manager met with him (the administrator) and further encouraged him by helping him understand the scope and the projected future growth of the project. Finally the administrator agreed to take charge that later turned to be a good opportunity for him, "it is now I realize that, had I not take the CRM project, I would have missed opportunities regarding my career" (personal communication). Currently, the respondent works as a Senior Administrator and Project Developer, a better position that is better than where he was before he took charge of the CRM project, "I really appreciate what the manger has done for me" (personal communication). In other words, although the interviewee initially felt negative about the manager's decision to appoint him to take charge of the project, the decision was encouraging for the administrator and helped him develop his professional career.

In a similar interview with a US bank employee, the manager's decision turned to be encouraging and fair to the subordinate. According to the interviewee, in 2001, the economy was downsizing thus banks decided to merge. Consequently, the bank manager was forced to lay off all the senior staffs to change the workforce. The interviewee was the bank's Senior Product Manager and performed better than other senior staffs. As such, the manager met in person with the product manager (respondent).

Initially, the interviewee was not ready to leave the job in the bank but the manager advised him to leave the job because the merge would make the bank instable. The manager laid the respondent off after he (respondent) had accepted the manager's decision. One day after the respondent had left the job; he was hired by the United Care Director of Product Development and gained more in his new position than in the US bank, "I now realize that my boss understood the foreseeable risk associated with the merger and his decision to lay me off turned fair on me" (personal communication). Just like in the previous case with a

senior Database Administrator, the decision made by the bank manager had positive impact on the respondent's career because the manager helped the interviewee to move on to a better position.

Managers can also positively impact the lives of the subordinates through positive thinking (Kellerman, 2010). In an incident where a painting company manager laid off the employee due to unfavorable economic situation and payroll issues, the interviewee decided to start his business that turned to be better than working for the painting company. That is, the manager's decisions made the respondent to challenge his abilities to achieve his goals. The interviewee stated that the manager's decision was the most significant in his life, "even though it was hard at first, it has led me to be a better person, and more successful". In other words, the manager's decision had positive impact on the life of the respondent.

However, some of the management decisions might not affect the subordinates' career in any way; they are neutral. Jim, the former employee of State Leasing was promoted to service manager position and worked for three years. However, the company was not performing well in its business. The manager later informed that he had no option rather than layoff the higher paid employees. Consequently, that manger laid Jim off but wished the best for him. The respondent got a new job in RAXCO after two days. The interviewee argued that that was the best experience that ever happened to him. The interviewee is neutral about the manager's decision implying the decision did not have any effect in his career.

However, some manager's decisions might be negative but have no effect on the lives of the subordinate. For example, in the situation that involved a female employee and a manager in an environmental consulting company, the manager's decision to lay the employee off was negative but his (manager) behavior did not have any impact on her future career. The respondent got a new position in an environmental consulting firm with better terms than the previous company, "not only did I get the job; I was given more responsibility, a higher salary, and better benefits package" (personal communication). Through the new company, the employee learned more than she did in the previous company. However, the employee might not view the manager who laid her off as a leader.

#### How the Subordinates Consider and Perceive the Superior, Leader or Authority/Boss.

Some people believe that leadership is equivalent to authority because they associate leadership with the top positions of authorities (Winkler, 2010). In fact, if leadership is defined as the action of getting the duties performed, then it would the same as authority. On the other hand, boss refers to those who "exercise control or authority; specifically: one who directs or supervises workers" (Mitchell, 2010, p. 8). However, leadership does not only come from those in top positions of the authority, but also from those who have no authority. In most cases, subordinates perceive their superior as leaders or managers based on their trust.

Through an interview with a secretary of a small catholic college, it was possible to understand the basis on which subordinates categorize their superiors as either leaders or managers. The college had both occupational therapy (OT) and physical therapy (PT) programs each with a director. However, the OT program had no secretary. The interviewee was responsible for PT program that involved accreditation procedures while OT program was involved with admission of their 2nd class. The OT director approached the interviewee to help her (OT director) with some work. However, the interviewee was required to work on PT accreditation and the OT with their admission in the afternoon.

The interviewee agreed but decided to consult the clinical coordinator of the PT program on how to go about the OT processes. However, when the PT director learned that the interviewee was helping with the OT admissions, he was not pleased and went to talk to the OT director about her decision to delegate the admission responsibilities to the interviewee. However, the OT director lied that she had not approached the PT secretary (interviewee) for help; instead, the secretary had asked her (OT director) if she needed help with the admissions.

The interviewee was disappointed to learn that the director could lie' "I was very disappointed to find out that someone who was highly respected in her profession could blatantly tell a lie" (personal communication). Consequently, the subordinate perceived the

manager as authority rather than a leader. The interviewee stated that, "a manager/authoritative figure will lie to you at some point in time". This implies that, the subordinate perceived the manager as selfish because she wanted to exploit her against the rules of the company.

Moreover, the manager failed to help the PT secretary solve the issue that was at hand thereby creating unfavorable work environment for the secretary. According to Mitchell (2010), those who have mere authority rather than leadership trait, bosses around performance in absolution of personal responsibility but fails to create a good work environment where employees operate based on their capacity and company rules. A boss is an individual who is in charge and with authority to order other people. As evidenced in the case between PT secretary and OT director, operating as an authority or boss is dangerous within a workplace. In most cases, those who operate as bosses tend to "abuse their positions, alienate workers, and expect loyalty without earning it" (Mitchell, 2010, p. 8). As a result, the followers perceive those in top position as authority rather than leaders.

However, perceiving the superior as a boss/authority is a matter of semantics. Mitchell (2010) cites that the perception depends on how the word is used, rather than whether the word is used. Some people might use the words boss to imply a leader. Moreover, subordinates' perception of their position in the organization determines how they define the word boss, how they would apply it to themselves and to those around them, how they would treat those around them, and how they would be treated by those around them.

# The Subordinates Understanding of Leadership and Authority, Coexistence and Difference between Them

The result of managers' attitudes, its causes, effects, and comprehension of the employees correspond to four different aspects: apathy, hope, progressive withdrawal, and confirmation (Aguinis & Farmer, 2005). Whereas progressive withdrawal and confirmation reflect the assessment of the current relationship between the supervisors and the subordinates, apathy and hope reflect what the subordinates anticipate to happen in the future. Such observation is in-line with Farmer and Aguinis' assertion that, "apathy reflects perceptions of a supervisor who lacks both power and goodwill to provide identity-

supporting resources" (2005. P. 1077). In most cases, if subordinates do not believe that their supervisors are willing and capable of providing the possessed resources, they (subordinates) might lose hope in the supervisor. For example, some subordinates might feel that the supervisor cannot give the resources and would not give them even if he/she had the resources.

Apathy is associated with supervisor's inability to support the identities both in the present and in future. However, it is important to understand that, role support for core identities must originate from other sources, either from external verification or from self-views of role performances (Farmer & Aguinis, 2005). Ideally, the quality and level of development depend on whether the supervisor has the capacity to provide resources and ability to establish a strong relationship with the subordinates if the resource situation changes. Therefore, if a supervisor does not have these capacities, there will be low levels of trust-worthiness and satisfaction.

Subordinates perceive supervisors who fail to provide resources to be unfit for their roles. Farmer and Aguinis (2005) concur that, if supervisors cannot provide resources, their perceived role would be poor since the resources that should strengthen the perception are not available. As such, such supervisors would not be able to verify their identity as leaders. Owing to such failure, the subordinates might be highly motivated to look for alternative sources.

However, the supervisor's role within the organization remains valued thus the subordinates are not likely to psychologically withdraw from the role. Nonetheless, the subordinates might physically withdraw from the firm. Those who will have withdrawn will then choose new interaction partners (Farmer & Aguinis, 2005). In an attempt to ensure that they provide self-confirming feedback, the performance is expected to be consisted with the roles. That will help to maintain consistent self-views. However, the role innovation might be displayed publicly through roles that are shared socially because the subordinates will not be sure how the potential verification partner might react.

Ideally, apathy results into hope. According to Farmer and Aguinis (2005), hope reflects subordinates' believe that, if the supervisor controlled the identify-supporting resources,

such resources would be provided. This implies that, despite having failed, the subordinates still expect the supervisor to provide identity support in the future. Anticipation for support might link the supervisor and the subordinate and foster interpersonal trust and satisfaction though the resources to support the desired identity might not be available at the moment. Therefore, the subordinates will develop some positive perception toward the supervisor.

However, just like with apathy, the subordinates are expected to search for alternative verification resources, but no relational or role withdrawal would happen because the subordinates hope that the resources would be provided if available. Moreover, performance that is consistent with roles will be displayed to both alternative audiences in an attempt to create self-confirming situations and to the supervisor to encourage his/her verification in case the supervisor's control over resources changes (Farmer & Aguinis, 2005). However, identity change is not likely to exist.

Nonetheless, if there is low hope that the supervisor has the power to provide the identity-supporting resources, this is expected to continue "damaging and devaluing subordinates' identity" (Farmer & Aguinis, 2005, p. 1077). Consequently, the subordinates will gradually withdraw from the organization. However, they will initially manipulate the situation by attempting to align the supervisor resource supervision with identity needs through role renovation and exaggerated role performances. If a different person is assigned to the supervisory position, the levels of trust and supervision will decline alongside.

Moreover, the subordinates will not perceive the supervisor as fit for his/her role. Therefore, they will seek an alternative source of verification and the supervisor will reframe from the role-consistent action. According to Farmer and Aguinis (2005), at this point the subordinates are likely to withdraw their relationship with the organization and subsequent resignation from work, especially if the alternative source of verification will not be available. However, if still there is significant commitment and supervisor resource remains critical to the change, the organization would require changes in identity standards (Farmer & Aguinis, 2005). Such changes might include supervisor's psychological withdrawal from role-identity or changing the content of the identity.

On the other hand, if the supervisor has sufficient identity-supporting resources and willing to provide the resources to the subordinates, they (subordinates) will confirm and validate their identity with the organization. Farmer and Aguinis (2005) suspect that, this process might result into positive emotional and cognitive ascriptions to the supervisor. That is, the subordinates will trust and feel satisfied with the supervisor. According to Farmer and Aguinis (2005), feedback from self and other individuals is consistent with identity standard. Therefore, confirmation will result into good role fit for the subordinates and low role withdrawal. In addition, there will be high role innovation, role identity consistent performance, and low turnover.

#### The Process of Being a Follower

In most cases, the society focuses only on the leaders of the organizations. However, "organizations need effective leaders and followers, and they are ultimately both part of the leadership process" (Agard, 2011, p. 315). However, those who would like to be good followers should begin by knowing the people around them. This can be achieved by observing the behavior and action of those around them. In most cases, when people perceive anyone around them as reliable or dependable, they tend to favor or trust them. However, those perceived to be trustworthy should make important decision that would affect the receiver at different intensity.

Those who are perceived to be trustworthy are likely to shape the perception of the people around them. At long last, the trust tends to transform into faith and the individual becomes a good follower. Effective followers manage themselves well, are committed to their organizational purpose, work hard and perform at high levels, and are courageous, honest, and credible (Agard, 2011). The above process can help those who would like to gain followership qualities.

#### Conclusion

The definition of leadership varies depending on the perspective of those who are defining the term. Different management decisions are driven by different factors. Whereas some management decisions are forced by unavoidable situations, other decisions are driven by hidden causes such as emotions. Similarly, different management decisions have different impacts on the careers of the subordinates. Whereas some decisions have positive impacts, other decisions might be tailored to harm the subordinates' career. The supervisors' capacity and willingness to help the followers solve problems determines whether the subordinate perceive the superior as authority or leader. However, the use of the word authority or leader is semantic implying that it depends on the position of the subordinate within the organization. Furthermore, manager's attitude, its cause, effects, and comprehension of employees reflect apathy, hope, progressive withdrawal, and confirmation respectively.

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