Leadership in a Communicative Perspective

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ABSTRACT
In analyzing a reform process at a Norwegian hospital, a central finding was that successful leadership depends upon actors assuming a communicative mode of interaction. This contradicts the instrumental view of leadership underlying the New Public Management approach, whose emphasis is on efficiency and goal achievement through employment of external sanctions. How can it be that leaders who give priority to reaching common understandings rather than on realizing specific goals are more successful? The unique feature of communicative leadership is its focus on legitimacy, which is achieved through rational conducted deliberation aimed at solving problems and resolving conflicts. This article depicts the varying organizational conditions favoring communicative leadership, such as decentralization, co-decision-making, and team-leadership. More specifically, delegation, reduced span of control, and dispersion of power are among the factors that contribute to a communicative mode of coordination.

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1. New public management

The so-called *New Public Management*, based on modern microeconomics and contract law, provides a new set of tools for the transformation and improvement of the public sector. Government services are increasingly adopting a range of techniques based on market models for assessing costs and risks. At both central and local levels, new organization forms inspired by this concept have now been tried out for some time. In 1987, the Norwegian Government resolved that management by objectives was to be introduced into all state institutions. The reforms are part of an international trend following Margaret Thatcher's TINA concept: there is no alternative. A more flexible, result-oriented and cost-effective public sector is thought to have a vitalizing and rationalizing effect on the welfare state (Olsen 1996:182). Concepts such as management, strategic planning, service, customer orientation, and also total quality management and entrepreneurial spirit have cropped up.[1]

New Public Management implies emphasis on the control and responsibility of top management, incentives, competition, quantitative result indicators, and measures of efficiency and effectiveness. Resources are to be managed better, and new reward systems are to provide motivation and discipline for employees. Decentralization and deregulation are highlighted as instruments for providing better services and in making the public sector more service-minded. The same goes for flexibility in hiring practices and the use of PR techniques. This management philosophy is built on the idea that social progress is achieved through economic productivity; increased efficiency and productivity is the result of ever-improving and increasingly sophisticated information processing technologies and organization, as well as increased room for management maneuvering (Pollitt 1993:2; Hood 1991).

In this concept leadership is considered a profession that can perform management through clear, operative objectives and quantitative success indicators. Increased economic rationality and a more critical attitude toward the use of resources and trade union activity are intended to make it possible to do more for less.

Is this concept fit for reforming the welfare

state? In this article I question the viability of the management concept of leadership. I maintain that it both underestimates the values involved in the public sector and the interactive component of leadership. I will explore this with regard to a reform process in a Norwegian hospital in which the salience of participation and communication was discovered. A communicative concept of leadership opposed to the instrumental one underlying the philosophy of management by objectives is therefore required. The article, then, is about the idea of communicative leadership – its logic, structure, and conditions. The purpose is theoretical and constructive which means the empirical material employed has more of an illustrative status. I will start by outlining certain features of communicative leadership as an alternative to the management one, and then I will discuss a number of structural causes behind the development of this type of leadership and the organizational conditions that favor it. The question concerns the nature of communicative leadership and how it can be organized into existence.

2. Participation and communication

The point of departure is the relatively trivial observation that *leadership* is a matter of *cooperation*, and that the success of leaders depends on the quality of the cooperation they are able to establish between themselves and their subordinates. The importance of *democracy and participation* was notified in connection with a study of leader behavior at a large regional hospital in Norway that, in the early 1990s, had introduced a new organizational model.[2] In this study we found considerable variation in leader behavior. Some leaders behaved autocratically and instrumentally in getting things done. Others acted more like protectors of their territory or defenders of their own groups. They acted according to institutionalized roles and entrenched standards of appropriateness. For these leaders, it appeared that the new model had no significant effect on behavior. I shall disregard these types of leaders in what follows, and concentrate on a third type that were deemed successful. The latter represents three of a total of eight leader teams covered by the study.

Literature on leadership usually highlights contingency and the situational nature of effective leadership styles.[3] I would like to address leadership not in terms of styles but as different ways of coordinating actions in order to grasp the genuinely cooperative and reciprocal dimensions of leadership in modern institutions. The three teams on which I shall focus demonstrated more of a mutual and understanding-oriented attitude than the other teams. The communicative way of coordinating action through argumentation (Habermas 1984), I think, is the key to an analysis of this form of *democratic leadership*. In this context, I consider democracy to mean an arrangement that allows for collective deliberations and decision-making, in which it is the power of the argument that is decisive. Only collective decisions that are accepted or at least not rejected in a free public debate are legitimate. Such an arrangement involves discussion aimed at achieving agreement in the pursuit of initiatives and implementation of plans. This approach is not far removed from a conventional definition of leadership:

> Leadership is interpersonal influence, exerted in a situation, directed (through a process of communication) towards the achievement of one or more specified numerical goals. (Tannenbaum et al. 1961)

It is important to point out that communicative leadership does not merely designate the ability to reach one's goals through linguistic means. Such a perspective is more typical of strategic leadership, whose criterion of rationality is whether, or how well one is able to realize one's plans and objectives.[4] The concept of communicative leadership includes the ability to test the reasonableness of the objectives in light of collective expectations. Thus, the term *communicative leadership* designates that leaders are able to generate agreement and that they act on the basis of a consensus which has been legitimately achieved. More specifically, such a leadership acts on the basis of an agreement, or of a conceived deliberation which it believes would result in agreement given sufficient time and information. In this way, leadership is a way of 'meaning-making' through moral-practical arguing, where the validity of the argument depends on its generality or universality.

3. Leadership – a contested concept

In connection with the changes and developments that took place in both the public and private sectors during the 1980s and 90s in Scandinavia, we have been inundated by a

wealth of literature dealing with leadership and management in various forms. Some would claim that it signifies a new way of talking about certain things and is a socially constructed cultural idea. Top leaders are powerful symbols of their organizations (Pfeffer 1981a; Sørhaug 1996). Leadership serves as an *epiphenomenon* that fills a need for legitimacy. It is often presented as an *idée fixe*, arising from a need to be able to understand and interpret events in a complex, ambiguous and confusing world.

> Executive behavior and management procedures contribute to myths about management that become the reality of managerial life and reinforce the belief in human destiny subject to intentional control (March 1980:21).

Leadership (as well as management) is, however, indicative of important social developments. It is linked to a demand for change and increased efficiency in public- and private-sector organizations. Leadership is not merely a construct symbolizing an ability to act and control; there are good reasons for its emergence. Someone must take charge, provide the motivation for collective action, and lead social processes in a favorable direction. Crises must be handled and leadership is required in times of upheaval, adversity, and institutional sclerosis. Generally, it is important that the makers of vital decisions be made visible, and that leaders are motivated to become more involved in organizational development.

The focus on leadership represents a break with egalitarian structures and informal cultures in Norwegian society, and has led to a considerable change in attitudes and also to increased public awareness and vigilance. On the other hand, leadership represents a research challenge: it is 'a slippery phenomenon' (Selznick 1957:22). It is a problematic concept, analytically speaking, as it is difficult to isolate and evaluate (Cohen & March 1974). Leadership literature contains a plethora of definitions and indicators, all of which are problematic from a research perspective (Bryman 1986). It is difficult to present a comprehensive and operational definition, because leadership is so hard to separate from other activities within an organization. In one sense, leadership is exercised by everyone, all the time. Each individual within an organization is in charge of one area or another, for one objective or another and consequently '. . . can exhibit some amount of leadership' (Bass 1981:156). However, this understanding does not sufficiently address the fact that leadership involves having the resources and authority to influence an organization's activities, its value base, and its goal structure.

Leadership concerns the relationship between actors who are dependent on one another to get things done. It is a relationship between actors, in which some are in a position to influence the behavior of others. Leadership, like power, involves a *hierarchical component* – a leader–follower relationship. Some people are in a superior position to others, and are thus able to impact their choice of action. As a consequence, leadership is concerned with the basis for authoritative coordination of action, and the main question then concerns what this authority actually consists of. How can B be made to coordinate his action with A's? What opportunity does A have to influence B so that A's orders are followed? In what follows, I shall refer to this issue as a question of followship, i.e. *motivating others' willingness to obey* (Bailey 1977; Dooren 1994). Leaders must have the authority necessary to ensure that actors conform to norms and become followers, which may imply acting contrary to their own self-interests. How can leaders make binding decisions, i.e. decisions that are *respected* by subordinates?

4. The coordination of action

Leadership resources in this regard may include status, position, professional competence, power, incentives, persuasion, moral authority, and so on. Leadership is defined as the ability to influence the behavior of subordinates (Yukl 1981:101). But if leadership is to be something other than governing through rational calculation and social control – i.e. steering or management – then the *voluntary aspect* must be emphasized. A manager who can threaten his/her subordinates into submission or conformity, or who can entice them through the use of incentives, is not exercising leadership: s/he is exercising *power* according to a standard definition.[5] In contrast, 'A does not exercise power over B when B is convinced by arguments given in good faith by A. B chooses freely the alternative directed by A' (Connoly 1974:88).

The concept of communicative leadership designates other forms of motivation than the purely material ones in order to gain the support of subordinates. It denotes extra-legal and extra-material aspects in the process of

achieving authority in interaction. The basis for coordination of action is to be understood as consisting of something other than the use of physical force, power or sanctions. Prototypically, action coordination takes place through the uses of arguments or *reasons*, which, owing to their rational content, motivate actors to comply. As I return to later, such reasons pertaining to what is an efficient, prudent, good or fair decision again constitute the normative dimensions of validity for deciding what is *a good argument* in different spheres of action.

However, this does not imply that leadership excludes the use of sanctions, but that it is necessary to isolate the voluntary aspect analytically in order to gain access to the essential qualities of leadership as a social relation. From this point of view, it may be said that sanctions are applied if leaders have the legitimate authority to do so. Leadership is a matter of mobilizing support, and involves both mobilization of the resources necessary relative to external exigencies and mobilization of efforts relative to internal constraints of the organization. This process places various demands on leaders' competence, but handling both external and internal problems requires mobilization of collective commitments through interpersonal interaction. However, modern leadership takes place within a *legally sanctioned structure of rights and obligations*. This implies that an actor holding a particular position has a legitimate right to exercise authority over others (Weber 1920/1978; Parsons 1960; Friedrich 1963). Authority provides those in certain positions with the licence to rule over others in certain areas and in the pursuit of specified objectives.

In late modern (western, democratic) societies, surveys document major shifts in value structures and the erosion of confidence in authority (Inglehart 1997). There is as shift from familiarity and confidence to trust or lack of trust as people increasingly experience a *risk society* (Luhmann 1979, 1991; Beck 1986; Giddens 1990).[6] In line with Webers' terminology, one could say that the traditional and legal-rational bases for authority are being eroded, and that charismatic authority constitutes only a partial type of legitimate relationship in modern societies. In line with this, systemic induced confidence or *institutional trust* is challenged by technological miscalculation, critique, and pluralism. Institutionalized trust is underpinned by interpersonal trust which it takes deliberation to bring about (Seligmann 1997). Not only should the rules and norms be rational or fair, but the persons in charge should also be trustworthy. Trust in persons vegetates on free communication, transparency, and reason giving. 'We should expect disillusioned withdrawal of trust where conflicts of interest between the truster and the trusted are exposed' (Warren 1999:325). Hence, the resources of power in coordinating actions have changed and this is one of the reasons why we may assume that there will be difficulties with the New Public Management approach.

5. Instrumental leadership

The management concept is a complex one. In the present context, it is used in a relatively narrow sense, and is related to the basic assumptions the concept borrows from quasi-psychological theories of motivation, and micro-economic theory of rationality. It refers specifically to pre-established goals, quantitative indicators, performance rewards, and bonus schemes designed to replace hierarchical systems where management was done by fiat from the top.

From this perspective, management is perceived as the ability to achieve one's goals efficiently based on the use of cognitive-instrumental knowledge. Actors are held to act purposefully rationally, or sometimes strategically, i.e. they are capable of making rational decisions on the basis of their expectations about the future while taking into account the presence of other decision-makers (Elster 1979:19). Furthermore, the presumption is that most actors are driven by egoism most of the time (Becker 1976:14). The key, accordingly, from the perspective of 'the principal' is to design reward systems such that the prospect of employee ('agent') gain corresponds with the objectives of the organization (Buchanan 1991). As a consequence, incentives become very important to this concept of management.

In such an instrumental model, agents react to sanctions. It is not substantial knowledge, insight, or the arguments in themselves that govern behavior: rather it is the knowledge of external stimuli – 'carrots and sticks' – present. This implies that coordination of action may be possible without the actors' changing their views. It is a form of conditional cooperation: actors cooperate only when it is in their interests to do so. They will enter into or conclude a cooperative relationship on the

Table 1. *Instrumental and communicative leadership.*

Leadership	Criteria for success	Coordinating mechanisms	Forms of knowledge	Values
Instrumental	Goal achievement	Power	Cognitive-analytical	Efficiency
Communicative	Publicly defendable objectives	Arguments	Moral-practical	Legitimacy

basis of their view of what serves them best. This makes cooperation both superficial and unstable, hence the problem of collective action (Olson 1965).

Instrumental or strategic models of action require merely *quasi-cooperation*. In New Public Management this is reinforced by introducing quantitative indicators. Formulation and legitimation of objectives is left to higher-level policy bodies, while lower levels are responsible for implementation. Actors are considered rational when they govern their behavior in an optimal fashion on the basis of pre-established objectives. This is a concept of cooperation that does not require actors to enter into deliberations with each other in order to determine which objectives are to be achieved or which form of problem-solving or conflict resolution is the best or most fair. They need not be *convinced* and need not tell with personal and publicly defendable reasons what is the right thing to do. The actors are considered to take on an instrumental attitude considering merely how to maximize given goals or preferences. They are not required to reach agreement and need not cooperate in establishing an authoritative definition of the situation and of the task environment. The formulation of goals, identification and solution of problems, and the resolution of conflicts suffer because arguments for or against one proposal or another need not be aired. The cost of monitoring and control during implementation are also considerable in such a model because it is difficult to know for sure if the basic premises and goals are understood and accepted. In standard cases the principal is not informed and the agent misunderstands.

6. 'Value-heavy' institutions

Leadership is most critical during the formation of the organization, in times of crisis, and in periods of reorganization. The leader is responsible for the institutionalization of values, creating an organizational image that employees can identify with and to whose goals and objectives they may remain loyal (Selznick 1957:25f). The setting of goals is, however, notoriously difficult. Often, goals are not explicitly stated at all. Often, they are so abstract and non-binding that they do not provide any guidelines for action. The concept of management by objectives may be seen as an attempt to alleviate this problem (Drucker 1954, 1976). By establishing clear goals, an organization can be evaluated and will achieve a stronger orientation toward result and attainment of objectives.

A variant of the management by objectives concept was introduced at the Regional Hospital in Tromso (Norway) as an experiment in 1987. The decision to introduce these measures was taken after the hospital had severely overrun its budget. The main objective of the project was to make the operation of somatic hospitals more effective. The means applied included freeing the hospitals from political governance and management by objectives and results. The idea was to achieve a more effective and efficient organization through the development of quantitative indicators. Cost-effectiveness was the objective, and market terminology was clearly evident. The hospital was to be run like a business enterprise.

The management by objectives project suffered several difficulties, and was deemed a failure. This outcome was related to several factors. Among other things, the project did not take the multifaceted nature of both the task environment and the goals themselves, nor of the particular characteristics of the activity at a hospital itself, sufficiently into consideration. Problems arose both in setting goals and in internal pricing. This testifies to the classical problem of trying to manage a professional organization by instrumental methods (Scott 1966).

Despite the negative outcome, the experiment resulted in the initiation of a number of processes within the hospital. In 1990 *a new organization plan*, based on team leadership, a reduced span of control, dispersion of power, and increased delegation of authority, was

implemented. This new organizational model had many features in common with the management by objectives concept, though it did not focus on management through pre-established goals and quantitative indicators. The new model thus breaks with the purely instrumental focus of management by objectives. It opens for increased cooperation and greater autonomy at the local level. It also breaks with the form of group leadership and linear organization associated with the traditional hospital model. In addition, emphasis was placed on leader training, development of team spirit, and extended cooperation between professional groups.

In the evaluation of the new organization plan, it became clear that some leader teams functioned quite well, and that considerable change in activities had taken place. The new form of interaction in these groups led to greater activity and a more adequate treatment of problems on three of the wards. Increased efficiency was documented, as well as better budgetary discipline and organizational gains. At the same time, there were reports of improved satisfaction, group spirit, and participation. The overall situation had changed in comparison with the period prior to the introduction of the organization plan, and these leader teams' experiences differed from those of teams on other wards. What is more, even though not all of the groups were evenly successful, in a later hearing none of the groups wanted to return to the old model.

The reason for these changes seems to lie in a new form of cooperation, in which the actors' actual competence and ability to solve problems come into focus. There was a greater degree of reciprocity and equality in the relationships between the actors, more deliberation, compared to the other teams studied. We found that the leaders of the more successful groups demonstrated a greater tendency to elicit different points of view and to achieve cooperation beyond the established lines of demarcation on the wards. Obvious changes were registered in the relationships between the parties involved: the roles and perceptions of status were transformed. Previously held stereotypes were challenged by more 'realistic' views, and the ability to engage in real exchanges of opinion increased. The members of these teams acquired new perceptions of one another, and a form of interaction was established which allowed them to problematize one another's definitions of the situation and their various interpretations. This, in turn, provided the foundation for a discussion of alternative conceptions of problems and proposed solutions. It seemed that what was spent in time and resources in arriving at a good problem-solving process on the ward was compensated for, and then some, by the ease with which the measures were implemented; even though these changes took place in areas which were initially suffered under great pressure. How can these findings be explained?

Of course, the development may be due to a great many different causes such as personal chemistry, informal power relationships, psychosocial processes, or specific, local causal factors connected to path-dependency – to particular skills, values, tradition and history. This line of reasoning, which is carried on both in *new-institutionalism* in organizational theory and in *communitarianism* in social and political theory, stresses the place of norms, rules and intrinsic standards of rationality and appropriateness in explaining organizational behavior.[7] In this respect, I would like first to point out that these factors may explain the situation in the less successful teams. Here to a large degree decisions tended to be interlocking due to group-think and institutionalized roles, asymmetric power relations, hostility, organizational politics, entrenched viewpoints, and local standards of solidarity.[8] This is not to say that such factors, including strategic action, charisma, particular skills, and informal networks, etc., were absent in the successful teams. They most certainly were present and did create problems from time to time, but their impact was not overall dysfunctional. In these teams the members managed to deal with or overcome differences to such a degree that problems were solved more adequately and conflicts resolved in a better way, compared to other teams and to what was the situation prior to the new model. I shall return to these points later in the article.

Second, the theoretical deficits of such theories pertain to the problem of explaining cooperation in pluralistic settings – where different norms and values prevail – and then how to achieve mutual understanding and rational choices in situations in which interests conflict and preferences over outcomes differ. What is lacking in such theories is a clearer conception of rationality in argumentation and the role of law (Eriksen 1999b). In an organizational context the latter highlights the force of rights and formal structures in governing interaction and decision-making. This is of particular pertinent to the present case, as the formal

structure of the organization was designed to achieve improvements like the ones obtained. I would now like to flesh out the rationale of the organizational structure in order to testify to the hypothesis of organizational impact.

7. Decentralization and enforced cooperation

The new organizational model introduced at the hospital in Tromso was based on an extensive degree of delegation of responsibility and authority, from the regional government to the hospital's board of directors, from the board to the hospital director, and from the director to the individual wards. In accordance with the model, clinical and medical treatment wards (and the various sections of wards that are further subdivided) are led by a leadership team, in which *one person* was responsible for the final decisions made. The composition of the team varies from ward to ward, but in standard cases it consists of the head of each ward – the leading physician, who functions as team leader, in addition to the head nurse and chief of administration on each ward. The head practical nurse is included as a 'non-voting' member of the team. Together, the leader team members are responsible for financial and personnel matters at ward level. In addition, all wards are subject to a common regulatory framework and attend joint meetings to deal with budget matters. The model also allows for ward councils, consisting of members of different professional groups. These councils are intended to serve an advisory role *vis-à-vis* the teams.

Decentralization implies that local units assume responsibility for their own budgets, for their own personnel policies, and for their own development. The idea of the new organizational model is that increased autonomy means increased effectiveness, which, in turn, will have a positive effect on cooperation and satisfaction. The bottleneck is located in the cooperation between the groups and in the coordination of the hospital's various services. The problems are not attributed to professional or technical skills, i.e. in specialist skills. The problem is considered to be a lack of *cooperation*. The aim is to improve the ability to interact across professional boundaries, to weigh varying interests and objectives against each other, and to resolve conflicts in a rational manner.

Decentralization means that groups can no longer govern themselves through divided leadership and a direct line to the central leadership, i.e. head physician, head nurse, and chief administrator. Under the new plan, these actors were required to deal with problems and conflicts at ward level. In this way, greater local cooperation was cultivated and the members empowered. Establishing teams and councils comprising members of different professional groups provides the representatives with new fora in which they can meet and deal with problems at the local level. Given the new financial and personnel authority at their disposal, local leaders now have an opportunity to deal with problems without having to go through a higher authority. A relevant question at this juncture might be: What specifically is it about this organizational model that could bring about communicative leadership?

8. A new procedure

The new formal structure lays the groundwork for a new practice as regards coordination and cooperation. It establishes a new meeting practice that makes it possible for new information and communication flows to emerge. This organization structure is not designed with a view to producing specific results. On the contrary, it institutionalizes *a procedure for joint problem-solving and conflict resolution*. The plan provides for greater freedom at lower levels and includes few detailed descriptions of specific action. It should be adjusted actively to the particular task-environments of the different sections and wards. One basic condition for success in this endeavor is extensive planning and active use of meeting opportunities. Given such increased freedom at the local level, it is also necessary to discuss objectives in light of the allocation of resources. In contrast to the management by objectives concept, decentralization in the new organization plan implies an element of *genuine cooperation* in the definition of objectives as well as in goal achievement.

Decentralization of decision-making competence implies that the leader cannot succeed by merely taking his own professional group into consideration: s/he must also seek support from others. This is the case not only because the actor must seek acceptance for his or her decisions, but also because one person within a group soon discovers his or her own incompetence. For example, if a doctor is required to enter into a discussion with the head nurse

about scheduling on the ward, s/he will soon discover that s/he does not possess sufficient insight to evaluate all aspects of the task on his or her own. The doctor needs the information and knowledge that the nurse possesses in order to come to a reasonable decision. The leaders of various groups must take a more active position towards each other and coordinate their actions in a different way from that required by the old model of hospital management. Decentralization means that not only do various entities have to 'pay for their own mistakes', but that they also have the opportunity to do something about their own very real problems, as budgeting responsibility is also decentralized.

In order to take proper advantage of the opportunities provided by decentralization, however, leaders must be able to agree amongst themselves and gain support for their decisions and new measures in their environments. This necessitates a communicative turn on interaction. In such a form of interaction there are no recipes or predetermined answers on what constitutes rational action, even though the actors may have clear conceptions of such at the outset. In the event of conflict, at least one of the actors has to revise his opinion if an agreement is to be reached. What is more, it is not until consensus of some sort is achieved that anything at all can be done in a cooperative context of action. This is then not to say that consensus is the ultimate criterion of good leadership, but of the decision-making quality. It is the process of reaching a qualified agreement through the bare force of the better argument – by critical scrutiny of the prevailing reasons – that is decisive. The more informed the consideration, the more reasonable the deliberations, the better the decision (Elster 1998).

9. Team and leadership

Decentralization is obviously of significance. However, the principle of one person in charge, together with the team principle, is an even more important organizational means of eliciting communicative leadership. The team in which one person is responsible for the ultimate decision is one way of bringing about mutual discussion between participants, for the following reasons:

First of all, the principle of *one person in charge*, a controversial option, places ultimate responsibility in the hands of one actor. At our hospital it was possible for head nurses to apply for team-leader positions, but with one exception these positions were filled by head physicians. This was seen as a power-based decision and created commotion and deep cleavages at the hospital. The nurses, in particular, were dissatisfied, as they saw it as downplaying their competence. In fact, they performed many of their administrative tasks on the wards, and often they were the real leaders. This led to considerable hostility in the beginning and the teams had a hard time finding a common basis for cooperation, but the power of the head physicians was not used to restrain other groups or to maximize the doctors' overall influence. The fact that none of the groups now would like to return to the old model testifies to this.

However, in some of the wards the decision to appoint doctors as leaders seemed justifiable and it was accepted in the successful ones we are dealing with here. The advantage of this alternative was that authority was linked with medical expertise, which is the type of expertise involved in the cost-related decisions made within a hospital (Hunter 1991). It is a way to co-opt and make powerful groups responsible. Thus, in this system the focus is on the individual leaders of the hospital in matters related to finance, organization, and leadership. As a consequence, it is not easy to blame others if things go wrong. When it becomes evident that there are obvious differences between the wards in their ability to keep within their budgets, and that these differences are directly related to the delegation of leadership responsibility, it becomes more prestigious, though riskier, to be a leader.[9] However, at a hospital, professional groups are quite powerful; authority is dependent on professional knowledge and skill, and leaders have few sanctions at their disposal (Freidson 1970). Only to a limited degree are they able to enforce cooperation against the will of professional groups. Thus, effective leadership must induce cooperation and coordination across professional lines, both of which are encouraged by decentralization and the team leadership.

Second, *the principle of team leadership* gives the leader considerable responsibility for all aspects of the wards' operation and development. Various groups are represented and may sanction autocratic leaders. Problems of loyalty readily arise and a poor working climate may emerge if the leader does not take the appropriate matters into consideration. The result may soon be increased absenteeism, more overtime and use of extra staff unfamiliar with

hospital routines, all of which have a detrimental effect on the hospital's finances and the leaders' reputations. Autocratic leaders, quite simply, do not fulfill their obligations as leaders, and they minimize their chances of being selected as leaders in the future. It is also worth noting that one-person leadership may balance the team leadership principle, and thus prevent that principle from becoming a dogma. If it were to develop into an ideology that is uncritically applied to any purpose, it becomes tyrannical and ineffective. Use of the team principle in any situation or for any objective is counterproductive (Sinclair 1992; Belbin 1981).

Third, the above mechanisms actually bring about *an obligation to ground decisions:* leaders are required to provide reasons and explanations for their decisions. In short, leaders must act as if the representatives hold a veto. A leader cannot use his/her power to promote specific views or personal interests: s/he must work towards support for his/her recommendations by giving reasons. An obligation to give reasons, however, works both ways. Both leaders and subordinates must *explain* why they believe it is right to do something if they want others to comply. For decision-makers, it is no longer sufficient to suggest that X was done a certain way earlier, or that certain professional standards require that one does Y. Decision-makers must show why a certain decision is better than the alternative(s) on the basis of an evaluation of the situation with which others may either agree or disagree. In other words, in using specific rules or standards as the basis for a decision, one is required to explain why following such rules or standards is a sensible thing to do. If leaders are to subject themselves to this line of reasoning within mixed-profession bodies, it is important that they are involved in determining the rules governing their obligations. *Deliberative forums* are established – representative councils, job groups, etc. – as are joint decision-making bodies, which not only secure rational outcomes but are also opportunities to change the rules of the game and initiate criticism. Routines can now be tested. Such procedures for deliberation and decision-making engender *trust* (Baier 1986; Warren 1999).

10. Fostering rational argumentation

Fourth, an obligation to give reasons only becomes effective when *a power equilibrium* is established. Actors will only be able to achieve open communication to the extent that they act as though they were approximately equal. Asymmetrical power relationships make it difficult to maintain open communication. The same may be said of interpretative frames and realms of understanding. However:

> The very act of giving reason means that policy makers must also be able to reflect on the action frames that underlie the transactions through which they may have helped to promote miscommunication or exacerbate design flaws. (Schön & Rein 1995:187)

One observation in the hospital context is that the imbalance in power is both visible and manifest because of professional skills and status differences, but that it may actually be set aside during a discussion. On the other hand, more invisible 'power mechanisms' are more problematic, e.g. tacit knowledge, informal hierarchies, implicit interpretative frames, 'xenophobia', and anxiety. In small societies, we soon notice a psychology featuring such elements as jealousy, envy, 'insult', humiliation, and a type of group-think that arises when delicate problems involving varying interests are to be dealt with ('t Hart 1990; Bovens & 't Hart 1996). When barriers such as the latter are surmounted, it is reasonable to refer to the subsequent process as the establishment of argumentative reason. For example, a nurse and a doctor in the analyzed hospital wards seemed to share the requisite common norms and commitment to deal with grievances and conflicts of interests.

Communication is not a panacea for all leadership problems, as some obstacles require the use of power or even force (Pfeffer 1981b). However, it is not the case that all forms of power imbalance, 'irrationality' or disturbance must be eliminated for communicative leadership to work. On the contrary, it is necessary to develop a *professional attitude* towards deliberation and decision-making. This attitude implies that individuals are able to distinguish between the person and his/her point of view, between person and role, and between relevant and irrelevant aspects of the problem. Thus, this is a question of a *specialized,* rather than a general, form of discourse. Not everything needs to be discussed, not all norms need justification, and the obligation to reason applies only to specific aims and limited plans of action. In this hospital there was an emerging discourse on leadership

and management due to leadership training and gatherings.

Also the new organization plan, which brought participants together in a new way, and which implied a greater degree of equality, was suited to this type of learning and communication. In this context, *rationality* is that attitude in which I admit that I may be mistaken and that you may be right, and that if we work together we might approach the truth (Popper 1963:355ff.). We cannot force anyone to be rational; but what is possible is to force people into situations in which they must listen to rational arguments and present their counter-arguments. And if people are forced into a situation in which they are, for a short period, compelled to share power amongst themselves, then the road to rational argumentation is open (Heller 1983:9).

The development of communicative leadership that was revealed in some areas of the hospital seems to be fostered by the new organization plan. More precisely, an interactive structure of this type follows an intelligent adjustment to the new leadership conditions, in which actors are required to make joint decisions. Under such constraints a leader group readily becomes aware of its responsibility and its own long-term interests, and then role exchange and mutual dialogue may result. It is only when the formation of a consensus is given priority over the specific achievement of objectives that we may arrive at a thorough examination of the rationality of various plans of action. The ward becomes the frame of reference for decision-making, and not the various groups' actual opinions, needs or special interests. Normatively speaking, the determining factors should not be formal power, status, traditions, etc., but the arguments presented and their quality and saliency relative to recognized common interests. But how does this type of coordination actually come about?

We may reach a more adequate understanding of the theoretical foundation for this type of action coordination by studying the type of arguments that motivate members' willingness to comply. What is the structure of a motivating argument? What requirements must be met if actors are to coordinate their actions voluntarily, i.e. without the involvement of either positive or negative material sanctions? This brings us to the dimensions in the communicative process of justification.

11. Dimensions of legitimacy

Philip Selznick presents the leader as 'an agent of institutionalization', i.e. one who contributes to the setting of goals and to 'infusing' the organization with values which exceed the technical requirements of its activities (Selznick 1957:17, 63). The leader thus assumes a special function within the organization, one that is necessary for its survival. S/he maintains the organization's borders to the outside world. A leader has to manage the environment in order to protect the autonomy and integrity of the organization (Terry 1995).

Leadership involves interpersonal relationships engaged in finding solutions to collective problems relative to objective, but also normative, parameters. In order to succeed, leaders must be able to relate to the social and political climate, norms, established values, and realms of understanding within an organization. The issue of leadership immediately raises questions involving practical competence, knowledge of relationships, understanding of institutionalized practices, and interpretative frameworks. Leadership involves change and development of interpersonal relations and institutionalized patterns of interaction (Burns 1978:20). Leaders' instructions influence the allocation of resources and the power structure within an organization. The allocation of goods and burdens and of rights and obligations are all issues raising questions of fairness and justification. This brings the aspect of *legitimacy* into focus: leaders must be able to justify their actions and decisions in order to gain support. Such justification may take a number of forms. However, a democratic organization requires that actions are justified relative to the interests of various groups. When a group of leaders cannot tempt their subordinates to act by using incentives, or force them to change their behavior through threats or sanctions, then arguments are all they have left. In such situations leaders' real qualifications are put to the test. What conditions must be met if this type of coordination of action is to come about voluntarily? Discourse theory provides us with the means to analyze this problem.

By definition communication means cooperation through the use of meaningful or significant symbols. In saying something, an actor actually performs something in the world (Austin 1962). In addition, 'by performing a speech act one says what one is doing' (Habermas 1994:47). Actors gain access to a common

symbolic world through their sharing of a language in which they are able to make their own intentions and representations understood to others. The actors have the same, or virtually the same, understanding of what words and concepts stand for, or at least they can acquire such an understanding. Successful communication is characterized by sender and receiver understanding the same content in a message. In behavioral terms, we might say that the stimulus, the message, elicits the same response in the receiver as in the sender (Mead 1963:46). *Achieving understanding* is, however, only the first step in a successful process of coordinating action. The second step involves the receiver's accepting the proposals or offers that the sender presents. These are referred to as the *conditions of acceptability* that must be fulfilled. Receivers, in our case the subordinates, must accept and meet the sender's (the leader's) requests and commands in order for a successful coordination of action to take place (Habermas 1984:298). Using the dimensions of rationality which are involved in the concept of communicative action – the validity claims pertaining to truth, rightness (or justice), authenticity, sincerity – we are able to derive four conditions which must be met in order for this type of coordination to come about, i.e. for a message to be understood and accepted.

The first condition pertains to the *cognitive-instrumental* aspect, which stipulates that the decisions made must be adapted to the actual tasks to be carried out. The leader must know which prudent means to choose in order to achieve a specific end. A leader must prove him/herself able to select rational solutions, both in the sense that s/he really achieves what s/he sets out to, and that the final results are achieved with the least amount of resources expended. '. . . . in principle a system of rationally debatable "reasons" stands behind every act of bureaucratic administration, namely, either subsumption under norms, or a weighing of ends and means' (Weber 1978: 979).

Coordination of action involves not only a cognitive aspect concerned with reaching effective decisions, but also, as we saw above, an *acceptability aspect*. Leaders must be able to justify their decisions to their partners if they are to succeed. Often this condition is understood to mean that rational decisions in themselves guarantee legitimacy. When the decisions in themselves are reasonable, it doesn't so much matter how they came about. However, even 'rational' decisions are opposed if they are not arrived at in the proper way. In democracies we say that legitimacy is guaranteed by the procedures and the quality of the debate, rather than by the substance of the decisions made (Dahl 1989:163ff.; Habermas 1996). It is only when the procedural rules for reporting, hearing, and co-determination are upheld and when the discussion has been qualified that we are having a test of the validity of decisions (Maus 1996:881).

For these reasons, there is also a *moral aspect* involved, which designates the norms for delegation of tasks and for structuring relationships between the actors. It is required that leaders can justify their decisions. This does not merely imply that principles of distributive justice, such as equality, needs and deserts are fulfilled, but that leaders have taken into consideration those matters that are necessary for the decision to be perceived as just. The question is whether the decisions have been made in the right way, whether the parties involved have been heard, whether information has been provided and whether the tasks have been delegated in accordance with impartial and neutral criteria.

The ability to reach a specific goal in the right way is not, however, sufficient. The leader must also be able to provide a plausible interpretation of the goal for the organization (Parsons 1960). How does this specific objective stand in relation to the fundamental ideas and values of the organization? What is the ethical foundation of the organization? What is it that makes the members into a group? Which values and bonds of solidarity integrate the members, and how is this integration expressed in their activities? This might be termed an *identity aspect*, as it refers to conceptions of the common good(s) and the organization understood as a 'collective we'. The base of values must be refined and specified relative to the challenges facing an organization by the leader(s).

The fourth aspect that may be derived is an *authenticity aspect*, which deals with a leader's sincerity. In other words, a leader must be able to behave in such a way that his/her subordinates really understand and respect the orders they receive. Thus, leaders whose behavior raises doubts about their real motives lose credibility and their members' confidence. By studying the consistency of leaders' behavior, one arrives at a test of their sincerity. The authenticity aspect is concerned with a leader's charisma and trustworthiness as a person, and

Table 2. *Dimensions of legitimacy.*

Reasons for compliance	Coordination principles	Validity conditions
Instrumental/utililtarian	Effectiveness/efficiency	Material gains
Moral or legal norms	Fairness/consistency	Justice/rightness
Ethical values	Identity/'goods'	Collective self-interpretation
Personal integrity	Charisma/dignity	Authenticity/sincerity

involves both personal integrity and several more strictly personal qualities, e.g. who a leader is as a person, whether s/he radiates dignity, character, style.

Leaders may as a consequence be criticized on cognitive-instrumental grounds. This happens when the measures decided on do not contribute to the realization of the stipulated objectives. The leaders may be criticized for being unfair or for not presenting an adequate interpretation of what is to be done, of the goals and visions, or what practical consequences these may have. Finally, leaders may be criticized because they are unable to win sufficient confidence or trust. This aspect is related to the former factors, though it also constitutes a separate condition. This involves the ability to arouse enthusiasm and commitment, but is also related to character and attitude. In contrast, leaders who score highly on these criteria may be perceived as well performing leaders.

In this article I have illustrated how such a type of good leadership may be created organizationally when the formal structure establishes fora for the identification, explanation, critique, and justification of plans of action. Once such an organization structure is introduced into a body which is composed of members from different professional groups, it becomes difficult for individual leaders to use arguments which only refer to their own professional group's internal standards and interests. When this kind of logic of justification is dominant within the team, the result will be a more careful scrutiny of the arguments underlying a particular point of view. Independent standards specifying what constitutes a good argument or a sensible proposal are then established. What is more, this is not just an ideal requirement: giving reasons and listening to others are not something we do merely because it is polite, or because we are required to do so. The decision-makers need others' views and opinions to resolve conflicts and solve problems adequately. Rational decision-making requires examining the assumptions underlying the prevailing opinions. In this perspective, participation is not warranted on purely democratic considerations, as an end in itself: it is considered also a means of organizational development by empowering the members. Communicative leadership has epistemic value, as it elicits information and solves collective problems by linking competence and responsibility. On the other hand, this does not imply an instrumentalization of democracy. It is not just a means to an end, since it is only when groups' rights and autonomy are respected that there is a basis for the *trust* which this type of communication requires. Thus, superiors cannot merely use rights of participation at their will. If this form of interaction is to come about, leaders must let members exercise their rights even when doing so does not serve the interests of the leaders themselves.

12. Conclusion

An organization plan such as that introduced at this hospital does not exist in a vacuum but connects to the wider democratization of society – de-hierarchization and more openness. It is not possible within the scope of this article to consider how the changes discussed above change leaders' grounds for legitimacy in public administration and private enterprises in general.[10] But I think it is fair to say that because of the increase in knowledge and new risk scenarios on the one hand and co-determination and a more critical public debate on the other, leaders today are increasingly required to demonstrate reasonable grounds for their choices. Position, formal instruments of power, or incentives, are, to a diminishing degree, legitimating in themselves.

The nature of the resources available to leaders in their efforts to achieve an effective coordination of action has thus changed. Part of the problem in leadership research is that, short

of hierarchical authority and unquestionable norms, there are few tried and secure means of changing people's behavior. Researchers often resort to such statements as 'leadership should motivate, make more efficient, govern, and monitor the value base of an organization'. The informational and educational aspects have come into focus. The job of the leaders is not to instruct, but to transform both themselves and others. From this perspective, subordinates are not governed through incentives or legal sanctions, but through arguments and recommendations, or through advice and suggestions.

I have here suggested a communicative approach, highlighting the way actors explain their actions, and welcome criticism. In such cases the quality of the decisions improve and the leaders at the same time are rewarded with enhanced respect and trust. Communicative leaders increase their trustworthiness and are thus able to become increasingly effective at decision-making. In other words, they do not need to strive for consensus all the time, because they have achieved a *real basis for their authority*. A communicative attitude strengthens the leaders' legitimacy and allows for the storage of authority. This is related to the fact that the members know that they can question the leaders' authority at any time by employing the legal structure of the organization. There are, then, some promising prospects of democratic leadership for the 21st century (Rost 1991).

However, this concept of leadership also raises important questions that require further research. Among other things, they concern the legitimate role of power and hierarchy and who the leaders ultimately are responsible towards. First, these topics need to be addressed with reference to concrete institutions and the specific obligations and relationships present. Second, they raise important normative questions that may be addressed by democratic theory.

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Notes

[1] See Peters & Waterman (1982), Osborne & Gabler (1993), Hood (1991), Hood & Jackson (1991).

[2] The study referred to here was carried out in 1990–92 at the Tromsø Regional Hospital in Norway. See note 8 below.

[3] For the debate, see Fiedler (1978), Lewin et al. (1939); see also Burns & Stalker (1961).

[4] See Mintzberg (1978) on strategic or business-oriented leadership in the American management tradition, see also Reve & Gronhaug (1989), and Byrkjeflot (ed.) (1997, 1999) for an overview of the debate in Scandinavia, Germany and the USA.

[5] A conventional definition of power goes as follows: 'A has power over B to the extent that he can get B to do something that B would not otherwise do' (Dahl 1957).

[6] 'Trust remains vital in interpersonal relations, but participation in functional systems like the economy or politics is no longer a matter of personal relations. It requires confidence, but not trust' (Luhmann 1988:102).

[7] For this, see, e.g., March & Olsen (1989, 1995), Powell & DiMaggio (eds.) (1991), Etzioni (1988), Selznick (1992); for a critique, see Eriksen (1999b).

[8] The results were documented in four reports and were based on survey and interview data supplemented with participatory observations conducted between 1990 and 1992 (see Eriksen & Larsen 1991a, b, 1992a, b; and Eriksen 1999a).

[9] Leaders now risk frontpage headlines such as 'Head physician runs hospital into the red' (translated from *Nordlys* (local newspaper) 22 October 1992).

[10] Such a discussion would include how leaders are forced into more responsible positions, how they must take into account public interests of various types (ecology, employment, social risks) and how ethical considerations become more and more pressing. Also relevant is the question of how employees are required to use their own judgement and practical knowledge, and how private responsibility is collectivized in numerous and complex ways (see Bozeman 1987).

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