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RELATIONAL LEADERSHIP: AN IMPERATIVE FOR ORGANIZATIONAL HEALTH

Dr. I. G. Nwabali
Department of Office and Information Management
Faculty of Business Studies, Ignatius Ajuru University of Education

ABSTRACT

This paper reviewed relational leadership as an imperative for the organizational health of multinational corporations. In line with the conceptualizations of leadership and organizational health offered by the paper, it was affirmed that relational leadership contributes by enhancing the internal functions of the organization and enriching the content of the relationship between the organization and its various stakeholders. In conclusion, it was stated that relational leadership which is reflected through cooperation, collaboration and inclusivity in decision-making; is imperative for the organization's internal functionality, employee satisfaction and quality relationship with its various stakeholders.

Keywords: leadership, relational leadership, organizational health, stakeholders

INTRODUCTION

Studies by Lyden & Klingele, 2000; Martinko, Gundlach & Douglas, 2002; Vasie & Lucas, 2001) have overtime emphasized that building strong collaboration and integrating systems through policies and instituted frameworks which focus on what can be described as the meshing of behaviour or functions as a means of actualizing organizational health for multinational organizations (Vasie & Lucas, 2001; Fiske, 2004; Edwards, 2001). However, the overarching position of these studies has been on achieving organizational health goals through the cultural integration or absorption of units or local firms into the broader and more evident business identity and culture. Although this may in some sense enhance the organization's level of cohesion and systemic behaviour, it has the tendency of alienating it from the prevailing societal or contextual belief systems, values and norms of its social and operational environment. Thus, creating a disconnect between the multinational and its host communities, local authorities and other significant stakeholders.

Today's organizations are contextualized within highly diverse, multi-cultural, complex social systems emergent of globalization and the growing dissolve of international business boundaries. As opined by Aguire, Howell, Kletter & Neilson, 2005; Chatman, 1989) a globalized business features, faces some challenges that have been identified as consequential from such features (Edwards, 2001; Hoy & Feldman, 1987). Some of which include problems related to maintaining goal focus, achieving cohesiveness, adaptation, innovation and sustaining adequate communication – with all of which clearly describe organizational health (Hoy & Feldman, 1987; Miles, 1969).

With regards to aligning organizational units and achieving goal focus, cohesiveness and communication, it is the position of this paper that relational leadership offers a stronger and more accommodating framework for achieving not just internal organizational health but maintaining healthy correspondence between the multinational corporation and its direct contextual constituents or stakeholders (Abrams & Hogg, 1988; Cannon-Bowers & Salas, 2001; Cicchelli, 1975; Graen&Uhl-Bien, 1995). This is based on the relational precepts of inter-connectivity, inclusivity, cooperation and trust which present relational leadership as a more embracing approach with regards to diversity and multi-cultural systems (Cannon-Bowers & Salas, 2001; Howell& Hall-Merenda, 1999). In this vein, this paper discusses the imperative of relational leadership for organizational health with particular focus on multinational organizations.

CONCEPT OF RELATIONAL LEADERSHIP

According to Murrell (1997), leadership is a shared responsibility. It encompasses the interactions and contributions within the social framework or group that serves the interest of the entire group and comprises the network of knowledge, effort and shared experiences in enabling the organization

achieve its goal. Drath (2000) agrees with the position of Mullen (1997) in that he ascribes to leadership the collective constructions of will, skill and experience which according to the him, is not a personal dominance (one-person over others) or inter-personal influencing (coercion or manipulation) process. Relational leadership is more inclusive and recognizes the performance and effectiveness of the group or organization as highly dependent on the activities of the various units, entities or individuals that fall within its internal systems framework.

Grogan and Shakeshaft (2011) note that relational leadership is more horizontal than vertical; more people-based than hierarchical. In this sense the focus is on the power and effect produced by flattened work structures and systems of relationships. This is as Uhl-Bien (2006) observed that the approach towards leadership which is primarily interested and premised on the features of relationships, interactions and the exchanges that occur between members of the organization, offers more with regards to understanding the content and power behind group inter and intra-connectedness. From this perspective, the burden and responsibility of the survival of the organization as well as its success, rests on the shoulders of all members of the group. Each unit is imperative and construes a link which connects to the overall success of the organization (Uhl-Bien, 2011).

Shakeshaft (2006) further conceptualized relational leadership as characterized by the evidence of collaboration, communication flow, cooperation, and team work. Accordingly, Uhl-Bien (2006) in his study tried to synchronize the individuated and connected perspectives in his relational leadership theory by drawing on the features of the leader-member exchange theory, Grogan and Shakeshaft (2011) however, focused on expressing the leadership function and role as based on the quality and richness of the content of the relationships and correspondence between people or units within groups. The key position in most of these studies (Uhl-Bien, 2006; Shakeshaft, 2006; Grogan &Shakeshaft, 2011) consider relational leadership as that emergent power, flow of decisions or functionality of the organization, from the congregate of roles, interactions, collaboration and correspondence from the community or network of individuals captured within the group.

In this vein, whereas some studies (Howell et al, 1999; Cannon-Bowers& Salas, 2001) have preferred a perspective of relational leadership which is premised dominantly on the interactions between parties and units within the organization, others (Grogan &Shakeshaft, 2011; Uhl-Bien, 2006) have towed a rather broad and flexible line within identifies relational leadership as not just characterized by organizational members, but also contextual or environmental factors which in several ways contribute or play significant roles in the success of the organization. The latter appears to be hinged on theories such as the stakeholder's theory, social network theory and the systems theory as it recognizes all parties (external or internal) with significant bearing on the organization as having a responsibility towards its leadership success or failure (Cunliffe & Eriksen, 2011). The emphasis however yet rests on previously identified features such as cooperation, collaboration, communication flow and team work (Shakeshaft, 2006) whether intra-organizational or inter-organizational.

CONCEPT OF ORGANIZATIONAL HEALTH

Organizational health according to Miles (1969) relates to the organization's state of functionality and wellbeing. It describes the extent to which the organization's employees and internal features are operational and its resources fully utilized. To this end, organizational health is operationalized as comprising of ten (10) measures:

i. *Goal focus*: The unity and alignment of values when it comes to the pursuit of the organization's goals and objectives
ii. *Optimal power equalization*: The relevance and substantiality of power distribution across the various units and structures of the organization
iii. *Adaptation*: The capacity for modification and reconfiguration in line with the changes in the environment and the expectations of various stakeholders
iv. *Communication adequacy*: The authenticity of information and its flow across the various units of the organization

v. *Resource utilization*: The capacity for managing and channelling inputs towards goals and objectives
vi. *Cohesiveness*: The togetherness and level of cooperation between the various units and groups of the organization
vii. *Morale*: The feelings of security, assurance and satisfaction observed or experienced by members of the group or organization
viii. *Innovativeness*: The capacity for creativity and inventiveness as well as the support for such as expressed by others within the same group or organization
ix. *Autonomy*: The capacity for flexibility in actions and freedom to act in ways that are beneficial and advantageous to the unit
x. *Problem solving adequacy*: The capacity to effectively address and resolve problematic issues or challenges using minimum resources or energy

The concept of organizational health addresses the organizations capacity for wellbeing and adequacy of functionality (Miles, 1969; Vasie & Lucas, 2001). It addresses the relationships, goals, interactions, processes and systems of the organization. Given this overview, most studies (Miles, 1969; Lyden & Klingele, 2000; Cicchelli, 1975) have approached the study of organizational health from a rather narrow view, dwelling more on the functionality of internal systems and processes with less regard for the organizations relationships and operations within its contexts. Nonetheless, it is important to note that in the description or conceptualization of "organizational health" the dimensions of adaptation and problem-solving would imply the modification of behaviour in line with the features of exchange between the organization and the constituents of its environment. These signify a reliance of the internal on the external and can be considered as apt in the description of what it takes to be healthy (Aguire et al, 2005).

RELATIONAL LEADERSHIP AND ORGANIZATIONAL HEALTH

The position on organizational health adopted herein agrees with that of some studies (Aguire et al, 2005; Hoy & Feldman, 1987) which describe organizational health as the organization's ability to function effectively, to cope adequately, to change appropriately and also to grow from within. The description identifies the organization as not only healthy when its systems and processes are functional and growing, but also when it is able to align its behaviour, operations and structures within the changes and alterations in its environment. The view recognizes the organization as a microcosm of its society and identifies its behaviour and functionality as mitigated by forces and relationships that extend well beyond its internal processes.

In this way, for one to consider the organization as healthy or reflecting wellbeing, it would imply reference or a recognition of its effective functionality, satisfied employees as well as its quality relations with its various stakeholders such as host communities. This view offers a more substantial premise in the conceptualization of organizational health and presents the basis for its conceptualization by this paper. Thus, organizational health refers to that state of the organization in which it can be described as functioning efficiently, effectively, with satisfied employees and good working relationships with significant stakeholders (Aguire et al, 2005; Hoy & Feldman, 1987). This definition captures and summarizes the aforementioned measures of goal focus, resource utilization, adaptation, adequate communication, morale, optimal power utilization, innovativeness, autonomy, cohesiveness and problem-solving adequacy.

In the previous sections, the concepts of leadership, relational leadership and organizational health are discussed. This paves the way for the review and theoretical assessment of the interconnectedness of these constructs, which is the focus of the present section. As such, the present section examines the relationship between relational leadership and organizational health building on the identified dynamics of relationships, cooperation and inclusivity in leadership and the implications of such for the effective and efficient functioning of the organization, the satisfaction of employees and the organization's capacity for quality relationships with its various stakeholders, particularly as it applies to multinational organizations.

Relational leadership as noted by Graen and Uhl-Bien (1995) offers the organization an integrative work process that allows for participation and meaningful involvement in the affairs of the organization. Workers are not only considered as important and recognized for their efforts or contributions to the organization, but are considered in sharing in the behaviour and direction of the organization's course. Although this form of work template may be considered as highly novel, especially by most organizations which consider the traditional forms of work relationships and hierarchical structures as standard, nonetheless, it offers a strong argument in support of work systems that are embracing of diversity and change. This is as Kpakol and Zeb-Obipi (2017) opined that organizations today are changing and the traditional role of leadership as comprising hierarchically structured relationships does not suit the fluidity of the social world and global business environment.

One finds the applicability of relational leadership most demanding in the case of multinationals which over the years have been considered as exploitative, imperialistic tools and highly toxic based on the environmental side effects of their operations within various contexts, especially those of developing contexts such as Nigeria. However, most of the challenges and poor correspondence in expectations between these multinationals and their host communities stem primarily from their poor capacity for relational leadership and effective engagement of their various stakeholders (Dunning, 2008). This is as Spero and Hart (1999) observed that these organizations have a tendency of importing methods and templates which are significantly at disparity with the expectations and social dynamics of their environment. This is because there exists an overriding effort or position on maintaining structures, policies and coherence between localized organizational units and their home headquarters despite the glaring differences in societal and cultural values or systems.

Spero and Hart (1999) describe the multinational corporation (MNC) is any firm or organization that maintains direct investments overseas and at the same time supports or allows for value-added holdings in more than one nationality or country. An organizational therefore cannot be considered or described as multinational if it only operates in one country or if it only functions as a contractor to foreign firms. A multinational organization should or is expected to have foreign direct investment (FDI) in other countries and should at least own or control value added holdings in more than one country. This description matches that offered by Dunning (2008) he stated that the multinational organization refers to as any business entity or firm which effectively manages and controls productive activities in two or more nations at the same time.

Empirical studies (Wiig & Kolstad, 2010; Ferner, 1997) show that incorporating and engaging stakeholders has several advantages for the multinational organizations. They provide not only information but the required support and platform upon which the organization is able to build and grow its relationships and social capital. This can also be extended towards regional or localized units which can be allowed to function based on the precepts of their context and in the same way, address their context related organizational health challenges through the identification of the unique factors that pervade or define their operational and contextual settings (Ferner, 1997). In this way, relational leadership would allow diversity and varied inputs in its processes rather than a rigid and "one fits all" approach towards problem solving or change development. This view agrees with that of Uhl-Bien (2006) who affirmed to the integrating features of relational leadership and its sampling of viable options, openness to inventiveness and flexible standpoint on addressing issues. In this way, the organizations are able to achieve optimal power equalization, adaptation and effectively solve their problems given the distribution of power, authority and influence across the units, the modification of behaviour in line with the environment and the correspondence and engagement of the significant parties or groups affected or having the power to affect the organization (Aryee et al, 2007). This goes to indicate that not only is leadership embracing of diversity, but it is also enriched through the various contributions and positions of member units or individuals with regards to appropriate behaviours and the management of change. This drives the effectiveness and efficiency of functions and satiates employees or workers need for recognition and relevance especially in decision making (Brown, Trevino & Harrison, 2005)

In summary, this paper discussed the imperatives of relational leadership in enhancing organizational health, particularly the health of multinational corporations. The paper examined the nature and conceptualization of the concept of leadership, relational leadership and organizational health; and also examined the organizational health outcomes of relational leadership. The paper based on its review of literature described leadership as that function of the organization concerned primarily with defining and handling the strategic decisions of the organization, control of its resources and maintenance of its workplace relations and order. These features are considered necessary in the achievement of organizational health which in this paper was conceptualized as that condition in which the organization functions efficiently and effectively, satisfies its employees and carries on quality interpersonal exchanges and business activities with its stakeholders (e.g. strategic partners, host communities, vendors, clients etc.).

CONCLUSION

In conclusion, the position reached in this paper with regards the content relationships, shared power and inclusivity in leadership (such as reflected in the concept of relational leadership) and their contributions towards organizational health builds on the premise of various social relational models such as the social network, social exchange and social capital theories. Relational leadership not only recognizes and accords the responsibility of organizational success and performance to all members and constituents of the organization; it also supports diversity and openness towards distinctiveness and uniqueness in problem solving.

Following the position reached, it is affirmed that through relational leadership, organizations (Especially multinational corporations) can effectively learn and adapt to the changes in their environment, satisfy their employees through recognition and participation in decision making, solve their problems by modifying and configuring their behaviour for best practices, boost their employee morale, support adequate communication flow, allow for innovativeness, achieve cohesiveness, align unit or individual goal orientations and focus with that of the organization, drive for flexibility through unit autonomy, improve on resource utilization and adequately distribute power and influence optimally across the organization.

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