Chapter LVIII
Managing People and Information in Complex Organizations

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ABSTRACT

Information technology affects organizations and society itself as it redefines work content, reorganizes leadership styles and cultures, reshuffles power hierarchies, and spawns a series of both man-designed and spontaneous adaptations. Information technology oftentimes necessitates a new division of labor that creates policy problems and loss of accountability. Organizational leadership, especially in the public sector, urgently requires a theoretical as well as a practical revaluation to cope with the structural and functional changes within work and administrative organizations. This project seeks to elucidate three leadership models in the context of IT-induced changes in organizational forms and processes, namely, networked leadership, organic leadership, and gatekeeper leadership models.

INTRODUCTION

As we enter a period of dramatic change—a shift from the command-and-control organization to the information-based organization, the organization of knowledge specialists—Peter Drucker (1988, p. 53) cautions that “we can perceive only dimly, what this organization will look like; the job of actually building the information-based organization is still ahead of us—it is the managerial (administrative) challenge of the future.” In the public sector, a crucial concern should be what kind of decision-making processes, administrative structure, and political responsiveness will be engendered by this transformation? To the extent that information technology decentralizes administrative power, it will have a transformational effect on the leadership role (Avison, Kendall, & Degross, 1993). The leadership function is a process that involves both managerial as well as decision-making roles, but also sets organizational goals as well as facilitates and clarifies the means for achieving them. While we have generally articulated these attributes within the classical or Weberian bureaucratic organization, how these will be manifested in the dynamic environment of IT-intensive administration is the purpose of this chapter.
In assessing the impact of the emerging technological orientation on contemporary administrative practice, we are thus confronted with a serious challenge regarding the epistemology and nature of understanding in orthodox leadership theory. However, what leaders of today and of the future would face is quite different from what used to be. They would be faced with the dual obligation of managing people and information, and at the same time securing the primary mission that informs the organization’s existence. The irony is that while it is easier to manage people (by issuing orders and directives), technology, once set on its own routine, quickly takes on a life of its own and becomes more readily taken for granted. Once people are set into using it, its impersonal nature offers a means of escape from the traditional notion of an overbearing boss, but at the same time takes away from the boss a most crucial incentive of leadership (command and control). The argument is not that leaders have become moribund, but the basic fact is that much of the leadership function has become depersonalized to the extent that the traditional notions of leadership theorizing do not offer a complete portrait of what changes organizations and agencies would face in the future and how they can adapt to them.

BACKGROUND: RESTRUCTURING WORK ORGANIZATIONS

According to Laudon and Laudon (2003, p. 386, see Table 1), “New information systems can be powerful instruments for organizational change, enabling organizations to redesign their structure, scope, power relationships, work flows, products, and services.” To the extent that information technology decentralizes administrative power, it will have a transformational effect on the leadership role. Organizational leaders occupy roles that are both personalized and institutionalized (Avison et al., 1993). Hence, “managers (leaders) will need to change the organization to fit the technology or to adjust both the organization and the technology to achieve an optimal fit” (Laudon & Laudon, p. 72). As technology transforms the administrative context of public administration, the principles, culture, and values that undergird its public purpose will face dramatic but uncertain changes: “While technology itself is neither enslaving nor liberating; it is the management of technology (and the information it carries) that is important” (Gabriel, Fineman, & Sims, 2000, p. 125). This is quite relevant in situations where the power of a leader to make daily decisions is isolated by a data processing system tucked away miles from the leader’s desk, and also in situations where such mundane considerations and affection that require a personal presence and close proximity is removed. Suffice it then to say that the changing nature of the work environment (technology-driven division of labor) will determine how information is exchanged, how decisions are made, how new organizational forms emerge, and what type of leadership would fit into a particular organizational form.

Structure and Boundary Redefinition

One of the things that leaders do is to initiate structure, that is, exhibit a series of behaviors through which they define their roles and their subordinates’ roles in achieving the organization’s formal goals. While this process involves the person-in-situation, the new scenario that is advanced in this chapter supports a move toward a depersonalization of leadership roles due to the changing nature of work, and the tools needed to achieve key organizational objectives. Because of the peculiar characteristics of information technology, organizational structures and boundaries have become more fluid and dynamic. The unsettled nature of these boundaries and the frequency in which they can change has brought a greater level of uncertainty in the way tradi-