**Lesson 26: Leading the Environment**

**Introduction**

This lesson consists of:

1. Leading the Environment

2. Case Study

3. Student Journal Entry

**Assignment**

1. **Read the Course Guide**

2. When you solve a case study or act as a leader in your organization:

I. ***Identify*** the **Areas of Interest.**

II. ***Analyze*** the situation using the Leading the Environment Theory.

A. ***Identify*** the technical core of the organization.

B. ***Describe*** the organization’s task environment.

C. ***Identify*** the sources of environmental uncertainty (information).

D. ***Identify*** the sources of organizational dependency (resources).

E. ***Describe*** how the organizational leaders are coping with their task environment.

F. ***Identify*** any other environmental factors influencing, or may influence, the organizational leader.

III. ***Explain*** the effect of the organizational leader’s(s) action strategies on the organization’s output given the environmental influences. Also, explain the impact on the organization's internal components and how the cultural environment affects members of the organization. Likewise, explain how the change(s) in one of the internal components has changed the other internal components.

IV. ***Select*** an appropriate theoretical strategy or combination of strategies to address Areas of Interest.

V. ***Apply*** the theoretical leader strategy or combination of strategies to the situation in the form of a specific leader plan that addresses all Areas of Interest.

VI. ***Assess,*** evaluate, and revise your leader plan.

3. **Complete a Student Journal**for Leading the Environment.

Think about your current work department. In what ways does the community you serve, the surrounding region, and even the nation and the world influence your department’s ability to accomplish the purpose for which it was created? What is the technical core of your specific unit, division, or command? What forces in the environment support or assist you in accomplishing your technical core? What forces in the environment threaten your technical core? What are the sources of environmental uncertainty (information)? What are the sources of organizational dependency (resources)? How are organizational leaders coping with their task environment? What other environmental factors influence or may influence the organizational leader? What coping strategies are being used to deal with the organization’s external task environment, and how effective are they? How has the cultural environment affected members of the organization?

How has a change in any of the internal components affected the other internal components? What could your organizational leaders do to effectively lead the environment and protect the technical core?

**Leading the Environment**

“So profoundly revolutionary is this new civilization that it challenges all our old assumptions. Old ways of thinking, old formulas, dogmas, and ideologies, no matter how cherished or useful in the past, no longer fit the facts. The world that is fast emerging from the clash of new values and technologies, new geopolitical relationships, new lifestyles, and modes of communication demands wholly new ideas and analogies, classifications, and concepts. We cannot cram the embryonic world of tomorrow into yesterday’s conventional cubbyholes.”  
—Alvin Toffler

**Introduction**

In our exploration of leadership within organizations, we've examined various internal factors that influence the leadership process. Initially, we focused on the Individual Subsystem, recognizing that individuals bring diverse abilities and motivations into the organization, necessitating leaders to tailor their approaches accordingly. We delved into motivational theories to understand how personal drive impacts both leadership effectiveness and organizational success.​

Subsequently, we analyzed the Group Subsystem, acknowledging that groups exhibit dynamics beyond the mere aggregation of individuals. Viewing small groups as open systems, we observed how they significantly affect member behavior and the broader organization.​

Shifting to the Leadership Subsystem, we investigated the interplay between leader behaviors and specific situational variables, referencing prominent leadership theories to elucidate how leaders can effectively achieve organizational objectives.​

At the Organizational System level, we considered how large-scale organizational processes influence leaders and members. Recognizing organizations as open systems interacting with their environments, we identified external factors as sources of unpredictability that leaders must address. Ignoring these external dynamics is impractical, as organizations are embedded within larger, dynamic supra-systems.​

Leaders face the critical task of monitoring and managing exchanges between their organizations and the external environment—a function known as boundary spanning. This involves proactively engaging with external elements to enhance predictability and leverage environmental factors to support organizational goals.​

In summary, effective leadership requires a comprehensive understanding of both internal dynamics and external environmental factors. Leaders must adeptly navigate these complexities to guide their organizations toward success.

**Defining the Organizational Supra-system**

In analyzing leadership within organizations, it's essential to recognize the broader context in which these entities operate. Beyond internal dynamics, organizations are influenced by external factors collectively called the organizational supra-system or external environment. This supra-system encompasses various elements, including economic conditions, societal norms, technological advancements, and regulatory frameworks, which can impact organizational behavior and decision-making. Understanding this external environment is crucial for leaders who effectively navigate challenges and leverage opportunities.

**The Environmental Perspective**

Leaders often envision an ideal scenario where they can focus solely on internal goals without external disruptions. However, real-world organizations operate as open systems, constantly interacting with their environments. This interaction requires leaders to:​

* **Align Goals:** Ensure their objectives are consistent with higher organizational levels.​
* **Manage Outputs:** Oversee how the organization's products or services are received externally.​
* **Secure Resources:** Recruit personnel and obtain resources from the environment, acknowledging that availability and quality can vary.​

Viewing organizations as open systems highlights the dynamic relationship between internal operations and external factors. For instance, a military company commander's ability to set and achieve unit goals can be significantly constrained by external demands and policies established at higher levels. Similarly, in police services, a watch commander might face scheduling and resource allocation challenges due to unforeseen external events or directives.​

Understanding the external environment is crucial for leaders, as it consists of forces beyond the organization's boundaries that can impact goal achievement. These forces include:​

* **Users:** Those who consume the organization's products or services.​
* **Suppliers:** Providers of materials, personnel, and capital.​
* **Competitors:** Entities vying for limited environmental resources.​
* **Regulatory Groups:** Authorities that impose rules and guidelines.​
* **Societal and Cultural Factors:** The broader social context in which the organization operates.​

For example, public perception of police effectiveness can influence trust and cooperation, affecting a department's ability to maintain order. Recruiting competent officers depends on societal support and the attractiveness of the profession. Budget allocations for public safety are often contested among various social needs, leading to competition for funding. Civilian oversight introduces additional layers of accountability, influencing internal policies and practices.​

In summary, leaders must continuously adapt to external environmental factors, recognizing that these elements can enhance and constrain their capacity to achieve organizational objectives.

**The Environment as an Independent Variable in the Leadership Equation**

In leadership studies, the environment is critical to organizational behavior and effectiveness. This perspective acknowledges that while leaders can adapt to their surroundings, they also can shape and modify environmental factors to align with organizational goals. This approach differs from the ecological perspective, which suggests that organizations survive based solely on their ability to adapt to environmental changes. Instead, leaders can actively influence their environment to reduce uncertainties and enhance organizational performance. By continually reassessing and interacting with relevant external factors, leaders can better navigate the dynamic landscape in which their organizations operate.

**Leadership and the External Environment**

A diagram of a different environmental environment

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In organizational leadership, the external environment significantly influences a leader's effectiveness, encompassing both the task and cultural environments. The task environment includes immediate external factors directly impacting organizational operations, such as customers, suppliers, competitors, and regulatory bodies. Leaders often have some degree of influence over these elements, allowing them to adapt strategies to align with organizational goals. For instance, by understanding market trends and customer needs, leaders can steer their organizations to meet demands better and stay competitive.​

Conversely, the cultural environment comprises broader societal norms, values, and beliefs that indirectly affect organizational behavior. These cultural factors are typically beyond a leader's control but are crucial in shaping organizational practices and employee expectations. For example, cultural dimensions such as individualism versus collectivism, power distance, and uncertainty avoidance can influence leadership styles and decision-making processes. Recognizing these cultural nuances is essential for leaders to navigate effectively within their societal context and foster an organizational culture that respects and integrates these broader cultural values. ​

Leaders must manage the dynamic interplay between the task and cultural environments. By proactively engaging with the task environment, they can directly influence factors critical to organizational success. Simultaneously, by understanding and respecting the cultural environment, leaders can align their organizations with societal values, enhancing legitimacy and long-term sustainability.

**Relevance, Certainty, and Appropriate Leadership Roles**

Organizational leaders operate within two primary external environments: the task and cultural environments. The task environment includes elements that directly impact an organization's ability to achieve its primary mission, such as customers, suppliers, competitors, and regulatory bodies. Leaders often have some degree of influence over these factors and must actively engage with them to ensure organizational success. For instance, maintaining strong relationships with suppliers can secure essential resources, while understanding competitors' strategies can inform better decision-making.​

Conversely, the cultural environment encompasses the broader societal values and norms that shape organizational behavior but are largely beyond the leader's direct control. This environment influences what is considered acceptable or unacceptable within the organization. For example, societal attitudes toward hierarchy and authority can affect organizational structures and leadership styles. In cultures with high power distance, centralized decision-making may be the norm, whereas in cultures with low power distance, a more participative approach might be preferred. Leaders must be cognizant of these cultural dimensions to navigate effectively within their societal context.

Understanding the task and cultural environments is crucial for leaders aiming to align organizational practices with external expectations and effectively achieve their goals.

​Coping with the Environment

Leaders can employ several strategies to mitigate environmental uncertainties and enhance organizational effectiveness:​

1. **Increase Organizational Certainty**: Leaders can reduce potential uncertainties by anticipating environmental changes. Adaptive management practices allow organizations to learn from ongoing monitoring and adjust strategies accordingly, enhancing predictability and resilience.
2. **Reduce Environmental Dependency**: By fostering self-sufficiency, leaders can decrease organizational reliance on unpredictable external factors. This may involve diversifying resource sources or developing internal capabilities, thereby minimizing the impact of external fluctuations.​

By adopting these approaches, leaders can better navigate environmental challenges and ensure their organizations remain agile and resilient in the face of uncertainty.

**Anticipating Environmental Uncertainty**

Organizations often face uncertainties from their external environment, which impact their core operations. To mitigate these uncertainties, leaders can adopt strategies such as buffering, smoothing, adapting, and, when necessary, rationing.​

**Buffering** involves creating specialized units or roles within the organization to manage specific environmental uncertainties, thereby protecting the core operations. For example, a manufacturing company might establish dedicated procurement departments to handle supply chain fluctuations, ensuring that production remains uninterrupted. Similarly, in law enforcement, a chief's staff may include personnel focused on intelligence and operations to address external challenges without disrupting primary policing activities.​

**Smoothing** entails efforts to reduce variability in environmental inputs. Utilities, for instance, may offer incentives for off-peak usage to balance demand. Organizations can apply this by encouraging service requests during anticipated low-demand periods, maintaining a steady workflow and resource allocation.​

**Adapting** requires adjusting organizational processes or structures in response to environmental demands. This could mean scaling workforce numbers during peak seasons or modifying operational hours to align with external requirements, ensuring the organization remains responsive and efficient.​

**Rationing**, considered a last resort, involves allocating limited resources when facing shortages or overwhelming demand. An example is the medical triage practice during disasters, where resources are directed to cases with the highest survival prospects. Organizations might implement rationing by prioritizing critical functions to maintain essential services during resource constraints.​

By proactively implementing these strategies, leaders can enhance organizational resilience, ensuring stability and effectiveness amidst environmental uncertainties.

**Reducing Organizational Dependency**

Organizations often rely on external elements for resources, which can limit their autonomy and power. To mitigate this dependency, leaders can adopt several strategies:​

1. **Enhance Organizational Prestige**: Organizations can strengthen their position within the environment by cultivating a positive public image. Practical public relations efforts can attract support and resources, reducing reliance on specific external entities. For instance, a police department with a favorable reputation may find recruiting qualified personnel and securing community backing easier.​
2. **Diversify Resource Sources**: Leaders should seek multiple avenues for acquiring necessary resources, avoiding dependence on a single supplier or entity. This diversification ensures that if one source becomes unavailable, alternative options are readily accessible. For example, a manufacturing company might source materials from various suppliers to prevent production halts due to supply chain disruptions.​
3. **Integrate Environmental Elements**: Incorporating or co-opting uncertain environmental factors into the organization's structure can reduce external dependencies. By internalizing these elements, leaders gain greater control over resources and processes. A classic example is a car manufacturer that owns its own steel production facilities, tire manufacturing plants, and glass factories, thereby minimizing reliance on external suppliers.​

By implementing these strategies, leaders can enhance their organization's autonomy, reduce vulnerability to external uncertainties, and better achieve their goals.

Summary

​This lesson emphasized the critical role leaders play in monitoring external activities that can impact their organizations. Leaders must proactively anticipate environmental uncertainties and implement strategies to mitigate potential disruptions. Key strategies include buffering the organization by establishing specialized units to handle specific ecological uncertainties, smoothing operations by influencing environmental inputs to reduce variability, adapting organizational processes to align with environmental demands, and, as a last resort, rationing resources when faced with shortages. Additionally, leaders can reduce organizational dependency on external factors by enhancing prestige, diversifying sources of essential resources, and integrating uncertain environmental elements. Leaders can better achieve their organization's primary goals by effectively anticipating and managing environmental uncertainties.

**Case Study**

You have been the assistant chief responsible for Support Services for just over five years. One afternoon, as you are driving back to your office from a meeting in the community, you are shocked to hear a news item on your car radio. The station reports that council member Linda Chacon has just held a press conference to complain about the service provided by your division! When the news broadcast shifts to a sound bite of the council member’s announcement, you hear Ms. Chacon say the following:

“Delays in the purchase and distribution of supplies, especially report forms and first aid equipment, have a tremendous negative effect on field police operations.”

According to the news reporter, Council Member Chacon intends to bring this issue before the full council in one week. At that time, Ms. Chacon will introduce a motion to demand an investigation and a response by the police department.

The broadcast hurts and angers you, especially Linda Chacon’s accusations. You know your division has problems, but you feel that they are far beyond your resources and ability to correct. Your staff is well-trained, and they work very hard, but they are gravely understaffed. The lack of a modern, computerized materials management system severely hampers your entire operation. You are especially frustrated by the fact that you have made repeated budget requests for personnel and computer equipment, but these requests have been routinely denied by either the Assistant Chief for Administrative Services of the chief.

As soon as you walk into your office, you find a pink phone message asking you to call investigative reporter Tim Bally of the local newspaper. Right next to Tim Bally’s message is a handwritten note from the chief, directing you to meet with him and Assistant Chief of Administrative Services, Donnybrook, immediately upon your return. “ASAP” is scrawled in red across the top of the note.

I*.* ***Identify*** the **Areas of Interest**.

1.

2.

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4.

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9.

10.

(If necessary, continue listing **Areas of Interest** on another page.)

II. ***Analyze*** the situation using the Leading the Environment Theory.

What is the relationship among the Areas of Interest listed above? More specifically, is there a chronological order or **logical chain of events** that helps you make sense of the facts you have? If so, outline the time sequence of events.

What is the technical core of this division?

What is the organization’s task environment?

What are the sources of environmental uncertainty (information)?

What are the sources of organizational dependency (resources)?

What other environmental factors influence or may influence the organizational leaders?

Is information uncertainty damaging the technical core? How?

Is resource dependency damaging the technical core? How?

III. **Explain** any connection between the Leading the Environment Theory concept and any problems the organization is experiencing.

Given the environmental influences, what are the effects of the organizational leader‘s(’) action strategies on the organization’s output? What are the impacts on the organization’s internal components? How does the cultural environment affect the members of the organization? How has the change(s) in one of the internal components changed the other internal components?

Do the facts of the case and your explanation form a pattern that allows you to identify a fundamental or **root cause** (i.e., is there something in the case information that suggests it is the underlying cause of all or most of the Areas of Interest)?

IV. ***Select*** an appropriate theoretical strategy (or strategies) that will be effective in this situation.

Which theoretical leader strategy(ies) should the leader use to address the Area(s) of Interest in this situation?

V. ***Apply*** the theoretical leader strategy(ies) to the situation through a specific leader plan that addresses all Areas of Interest. The plan should be realistic and holistic, address all Areas of Interest you have identified, and translate the theoretical leader strategies into specific actions. What will you do and say to whom, when, where, and how?

VI. ***Assess***the effectiveness of your leader plan. After your leader plan, list the measures you would use to evaluate your actions.

In this step, leaders need to ask, “What information do I need to tell whether or not my leadership is having the desired effects? How will I obtain the information I need? How can it be generated? Who can help me get what I need? How often should I collect data and in what form?” How are you going to know if your plan is successful?

Name:

**Complete a Student Journal entry** for the Leading the Environment Theory.

Think about your current work department. In what ways does the community you serve, the surrounding region, and even the nation and the world influence your department’s ability to accomplish the purpose for which it was created? What is the technical core of your specific unit, division, or command? What forces in the environment support or assist you in accomplishing your technical core? What forces in the environment threaten your technical core? What are the sources of environmental uncertainty (information)? What are the sources of organizational dependency (resources)? How are organizational leaders coping with their task environment? What other environmental factors influence or may influence the organizational leader? What coping strategies are being used to deal with the organization’s external task environment, and how effective are the strategies? How has the cultural environment affected members of the organization? How has a change in any of the internal components affected the other internal components? What could your organizational leaders do to effectively lead the environment and protect the technical core?

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