

IT ALL STARTS WITH THE GOAL

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Abstract

The purpose of this article is to show that three basic concepts in the fields of organization research, corporate governance, management and leadership research come together theoretically. The concepts of goal, activity and goal-attainment constitute a commonality between them. The theoretical bounds are, however, not evident in all writings. The field of organizational research contains as basic concepts owners and goal, while corporate governance deals with the relationship between owners (shareholders), executives and stakeholders. Additionally, the management discipline pertains to an organization to be managed on behalf of the owners. Numerous leadership theories address the behaviors and activities of managers related to goal-attainment. Highlighting these common grounds could help progress in research in one field to be beneficial in the other research areas. They all come together: the fields of organization, corporate governance, management, and theories of leadership. It all starts with the goal of the owners, and it ends with goal-attainment.

Keywords: organization theory, corporate governance, management theory, leadership theories, owners, goals, behavior, activities, goal-attainment

1. INTRODUCTION

Arguably, individuals (or individuals in other organizations) with purposes or goals establish organizations as a means of achieving these objectives. That 'it starts with the goals' implies that the organization – the 'it' – is established on the basis of the goal of the founders or owners. In scholarship on organization we find the three opposing perspectives on how to study organizations (Scott, 2003). The analyst may employ a *rational*, a *natural* or an *open system* perspective. The natural perspective is not related to the issue at hand as this perspective advocates that organizations are first and foremost collectivities while ownership is not addressed (Scott, 2003).

The question of whether or not organizations can be studied by a focus on the goals for organized action constitutes the watershed between the system and rationalistic perspectives. Rationalistic the-

ory regards the goal as an independent variable and as a prime controlling factor in the organization's activities (Abrahamsson, 1993b; Scott, 2003). In contrast, system theory does not see goals as controlling the organization's activities but conceives it as a dependent variable, a product of the activities that take place in the organization. Or to put it differently, according to rationalistic theory, the goal comes first and then the organization is established. In system theory it is the other way round. Since all organizations have goals the question arises: who have the goals? Rationalistic organization theory is crystal clear on this: the owners have the goals for the organization. According to system theory the answer is less clear.

In corporate governance scholarship we find the same. Letza, Sun and Kirkbridge (2004: 245) have written: 'All theoretical models on corporate governance neatly fall within two opposing perspectives: the shareholder perspective and the stakeholder perspective'. The perspective of the classical

management theory is that the duty of the manager is to conduct the organization towards its objective as given by the owners. The perspective of some management scholars is now the opposite: goal-setting is a managerial task. The major conflicting perspectives in leadership today pertain to studies of the organizational outcomes of leadership (the explanatory perspective) versus the understanding or descriptive leadership perspective.

It all starts with the organizational goal; this is the claim in this article. The phrase 'organizational goal' is, however, a delusion. It is yet another example for the widely occurrence of anthropomorphism and metaphors in social sciences. First of all, organizations *as organizations* do not have goals. It is meaningless to address the concept of goal without simultaneously address the question of *who* has the goal. It is the owners (principals) of the organization who have goals for the organization they own. Official goals do not simply emerge. The founders (owners, principals) must state the main goals when the firm is to be registered with the authorities. When individuals invest funds in a company they consequently have some specific expectations, wishes and goals related to the return on their investments. In the final analysis, it is impossible to separate the scholarly term 'goal' from the term 'ownership.' The cases where we find managerial ownership (e.g., Boeker & Wiltbank, 2005) are not addressed here.

It may be helpful to start with the concept of problem. A problem exists when there is a difference between the present state and a permanent state preferred for the future. A main goal is a description of what we want to have in the future – a permanent future *state*. To put it differently, the main goal of a specific business enterprise is a description of a permanent state in the future with a specific degree of profitability and risk desired by the owners based on their investment time horizon. Public organizations are also based on goals determined by the citizens through a democratic process. Associations of various kinds are based on the goals of the members. Shareholders as well as members of associations and citizens are all 'owners' or 'principals' of organizations because they exclusively can decide and change the main goals of their organizations. Some organizations are established where the owners are the prime beneficiary, namely, business

enterprises. In mutual-benefit associations like trade unions, political parties and professional associations the members are the prime beneficiaries. In public organizations (service organizations) like hospitals, educational institutions and social-welfare agencies the citizens or clients are the primary beneficiaries (Blau & Scott, 1962).

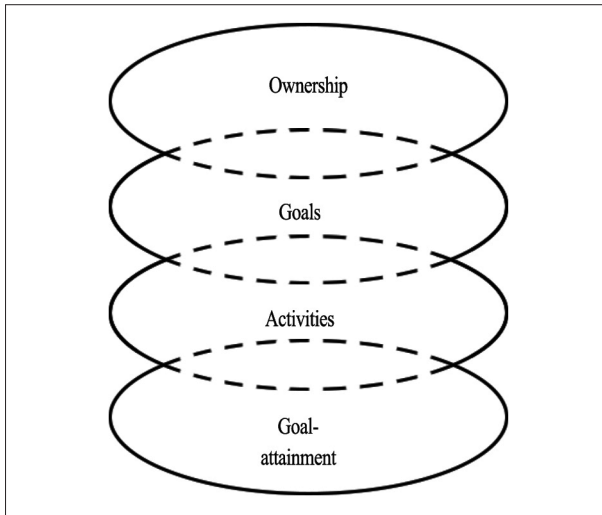
It is imperative to distinguish between goals and means as well as between goals on different levels. Main, overriding goals are different from strategic, operational, adaptive, and adjustment goals. Additionally, some goals on lower levels are in fact means to achieve goals on the next higher level. A clear and logical link between the main goals and the strategy is imperative as well as the link between strategic goals and operational goals. In business organizations the overriding, main goals pertain to dividends on shareholders investments while goals for market share, innovation, productivity, product development, corporate social responsibility and so forth may be means to achieve the ultimate goal. Shetty (1979) has identified the prevalence of as much as 82 different goals in US corporations. Goals are specific, explicit and clearly defined and thus facilitate measurement of the degree of goal-attainment. One of the five definitions of strategy presented by Mintzberg et al. (1998) is strategy as goals, means and plans. Additionally, the concept of organizational goal is not the same as the concepts of vision and mission because these concepts do not provide unambiguous criteria for selecting between alternative activities. They are not measurable in respect of attainment.

It is illogical to think with respect to a goal unless we think about how to reach the goal. It is impossible to address the concept of goal without attending to the activities and actions are needed to achieve the goals. The concept of goal is always linked to activities and always linked to goal-attainment. In the discipline of psychology human action is supposed to be mainly intentional. Weber (1978) expressed the term 'intention' as rationality, which he divided between goal-rationality and value-rationality. Several writers have linked these concepts to organization theory (e.g., Abrahamsson, 1993a; Scott, 2003). It is, however, not implied that the decision-maker has all of the relevant information at hand, nor that all of the alternatives or that all of

the consequences of the alternatives are known. Decision-makers in organizations are constrained by bounded rationality (March & Simon, 1958).

The purpose of this article is to show that organization theory, corporate governance scholarship, management as well as leadership theories all come together owing to the fact that they all start with a goal. Some contributions start with owners, principals or members who establish the organization and decide the main goals. Thus, these concepts need to be seen as one inseparable unit (figure 1).

Figure 1: The Unit of 'Ownership, Goals, Activities and Goal-attainment'.

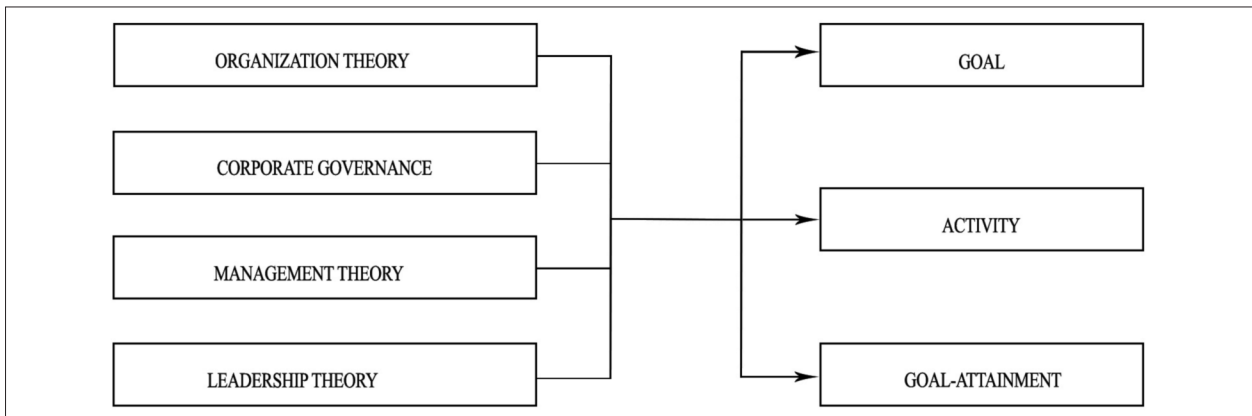


Even though plans are based on goals, control is a different concept than goal-attainment. As Fayol (1937: 103) has written: 'Control is the examination of results. To control is to make sure that all opera-

tions at all times are carried out in accordance with the plan adopted.' In business firms control is fundamental because it enables the alignment of managers' and subordinates' capabilities, activities and performance with the goals of the company (Cyert & March, 1963). Control is a comparison between a plan and the implementation of the plan. When an outcome (i.e., production value) in one year is related to the same kind of outcome the previous year, a comparison is done. Comparisons are hardly meaningful unless the outcome in one particular year is set as the goal. In some textbooks on management control (e.g., Merchant & Van der Stede, 2007) control is linked to goal-setting. Goal-attainment is the ratio between the result (outcome) and the goal. It refers to the *degree* of goal-attainment. It is, however, not carrying out plans that matters; it is achieving the goals that does.

The disciplines mentioned above are closely interwoven because the concepts of goals, activities and goal-attainment are found in all of them. Rationalistic organization theory contains as a basic element purpose or goal, while corporate governance deals with the relationship between the owners, their goals and the executive managers. Additionally, management theory is based on an organization to be managed on behalf of owners while numerous leadership theories pertain to leadership effectiveness. Stressing the common ground on which these theories are built can help the progress in research in one field to benefit other research areas. Again, the concepts of goal, activity and goal-attainment constitute a commonality on which these research fields are founded (figure 2).

Figure 2: The four fields related to goal, activity and goal-attainment



2. THE FIELD OF ORGANIZATION RESEARCH

2.1 Goals and ownership in Organization Scholarship

Scott (2003: 11) has written: 'Most analysts have conceived of organizations as *social structures created by individuals to support the collaborative pursuit of specified goals.*' A point of divergence among those who study organization is the analyst's theoretical perspective. The analyst may employ a *rational* or an *open system* perspective. These perspectives are not theories, but meta-theories that embrace a large number of theories. Common for rationalistic organization theories is that organizations are defined as collectivities oriented toward the pursuit of relatively specific goals. 'Goals are specific to the extent that they are explicit, clearly defined and provide unambiguous criteria for selecting between alternative activities' (Scott, 2003: 26f). Common for open system theories is that they define organizations 'as congeries of interdependent flows and activities linking shifting coalitions of participants embedded in wider material-resources and institutional environments' (Scott, 2003: 29).

Organizations are social phenomena. However, *rationalistic organization theory* views the organization as an instrument, that is, a rationally designed means for the realization of explicit goals set by a particular group of people (Scott, 2003). In management and business administration organizations are regarded as contrived entities that are established as vehicles for the owners so that *the owners* can achieve *their* goals.

Open system theory was a reaction to and is still an argument against rationalistic theory. This perspective is based on the seminal work of Katz and Kahn (1978), who rejected the idea of studying organizations on the basis of goals. It is imperative to note that Katz and Kahn (1978) did not address the issue of owner and ownership at all. In fact, these words are not found in the subject index of more than nine pages in their book of 838 pages. Organizations are dependent on other organizations in order to acquire input and to find outlets for their products and services. Katz and Kahn (ibid.) call other organizations constituent groups or *constituencies*. However, the concept of constituency is not well defined. Theoretically, all constituent

groups are equally important (Katz & Kahn, 1978; Pesueux & Damak-Ayadi, 2005).

System theory does not regard the organization primarily as an instrument for the realization of the mandatory' goals. Rather, the organization is perceived as a structure that responds to and adjusts itself to a multitude of demands from various stakeholders and tries to maintain a balance by reconciling these demands. Katz and Kahn (1978) have regarded organizational goals as abstractions or generalizations of future activities and behaviors in organizations on a general level.

Now, who decides the main (overriding) organizational goals? Is it the owners, the managers or the constituents? It is important to note that this is not a question of who *influences* the organizational goals but who *decides* the goals. The company act gives the owners (shareholders) the sovereign right to decide the overriding goals and to appoint the executive officer. Only owners have the right to change the business's objectives (Sternberg, 1997). The argument is, once again, that organizations are structural arrangements which are established in order to achieve specific goals. In order to understand organizations, we need to understand their goals.

The firm – as one type of organization – is perceived clearly and undoubtedly as rationalistic in theories of business administration and management (Douma & Schreuder, 2002). It is individuals who pursue the common goal of generating dividends from the capital invested in the firm. This very goal motivates its establishment. The firm is an instrument, a means for the owners. The goal is financial dividends. The rationalistic perspective starts with ownership and goal. It highlights the relationship between owners and managers. Open system theory does not.

2.2 Activity in Organization Scholarship

Organizations like other social structures cannot exist independently of people's actions (Danermark, Ekström, Jakobsen, & Karlsson, 2002). According to Scott (2003) the activities are performed by individuals in pursuit of specified goals. Their actions are goal oriented. In rationalistic organization theory the goal is the goal of the owners.

When the firm is established the shareholders delegate control to a few directors and managers to run the company on behalf of all shareholders (Letza et al., 2004). So, which actions are the managers involved in? In all public and private organizations some individuals are given the authority and responsibility for the managerial activities. Management is the process undertaken by one or more individuals to coordinate the activities of others in order to achieve the goals of the organization. The organization and management fields do not address the question of *how* managers act when performing these functions. Leadership theory does.

2.3 Goal-attainment in Organization Scholarship

The rationalistic organization theory stresses the fact that when organizations are established the owners appoint some individuals to act on their behalf. The managers are hired to be executives. Their main task is to contribute to the achievement of the goals as decided by the owners.

The main goal of the organization is not an issue for the managers. It is the reason why they hold executive positions. For the manager the goal is imperative, an order. As Maghroori and Rolland (1997: 80) have written on managers: 'They do not exist for their own sake. They are to serve the organization's goal and mission and they remain at all times subservient to it.'

It is crucial to stress that the decisions regarding purposes, goals, strategies, and visions in formal organizations are the prerogative of the owners, who decide these and direct their managers to implement and achieve them. A managerial task is to make the goals and strategies *operational* and *known* to the subordinates. A central issue is if or to what degree the organization achieves the goal of the owners. Consequently, goal-attainment becomes the core issue for the owners and the managers.

3. THE FIELD OF CORPORATE GOVERNANCE

3.1 Goals and ownership in Corporate Governance Scholarship

Corporate governance is understood as the system by which companies are directed and controlled

(Cadbury, 2000). Additionally, corporate governance can be conceptualized as a set of processes, customs, policies, laws and institutions affecting the way a corporation is directed, administered or controlled. Organization theory is a discipline older than corporate governance and has influenced the scholarship on corporate governance. The theory of principal and agent is derived from the rationalistic organization theory.

Of the two opposing perspectives, the shareholder perspective is applied here because shareholders are seen as the owners of the corporation. The corporation has legitimate obligations and the managers have a fiduciary duty to act in the interests of shareholders (Mayson, French, & Ryan, 1994).

The board of directors receives its authority for the internal control and other decisions from shareholders. Although the board may delegate decisions, management functions and many control functions to top management, the board still retains ultimate control over top managers. Donaldson (1990) has defined corporate governance in terms of how the managers are controlled by the board of directors. What is the goal of the organization according to the corporate governance theory? According to the stakeholder perspective its purpose is to influence directly or indirectly the behavior of the organization toward its stakeholders (Mostovicz, Kakabadse, & Kakabadse, 2011). Consequently, main concepts are plans and control. According to the shareholder perspective the goal is the goal of the owners and the concepts are goal and goal-attainment.

3.2 Activity in Corporate Governance Scholarship

When corporate governance is understood as the system by which companies are directed, administered and controlled (e.g., Cadbury, 2000; Mostovicz et al., 2011), it is virtually the same as management. Neither the shareholder nor the stakeholder perspective gives much detail regarding activities which enhance goal-attainment or the activities by which companies are directed or controlled.

3.3 Goal-attainment in Corporate Governance Scholarship

Control is the privilege of owners and managers. Owners, board of directors and executive

managers (on behalf of the owners) control the organization. As other actors outside the organization (constituents or stakeholders) do not decide the goals and plans they cannot control the organization. The initial definition of corporate governance as the way a corporation is 'directed, administered or controlled' is similar to the classical management concept. The concept of control implies an examination of the execution of the plan. According to the shareholder perspective, goal-attainment is what it is all about.

4. THE FIELD OF MANAGEMENT RESEARCH

4.1 Goals and ownership in Management Scholarship

The classical writers described the tasks or functions of managers. Fayol (1916/1946) divided the functions into planning, organizing, coordinating, directing and control. In his work on the administrative theory of the state, Fayol (1937: 102) wrote that the duty of the high command in the public sector was 'to conduct the enterprise towards its objective 'In the writings of Fayol (1916/1946, 1937) and Gulick (1937) it is evident that goal was given to the managers by the owners. They both referred to the board of directors.

More recently, some scholars have represented a different perspective on management. Schermerhorn (1993) has described four functions: planning, organizing, leading and controlling. These functions are presented as the managerial process. Planning pertains to setting objectives and deciding how to accomplish them (ibid.). Now, the setting of objective, goal and purpose has been taken away *from* the owners and given *to* the managers. Daft (1988: 8) has described the management functions as planning, organizing, leading and controlling and linked the functions to resources as an input and performance (attainment of goals) as an output. Daft has also taken the goal-setting away from the owners and has assigned it to the managers. Johnsen (2002) has defined managerial behavior as the integration of goal-setting behavior, problem-solving behavior and communicating behavior. On goal-setting Johnsen (ibid.) distinguished between development goals, adaption goals and operational goals accord-

ing to the time horizon. Johnsen (ibid.) has referred sparsely to owners and ownership and did not link ownership to organizational goals or goal-setting.

4.2 Activity in Management Scholarship

In a reference to Fayol, Gulick (1937: 13) wrote: 'What is the work of the chief executive? What does he do?' The answer from Gulick (ibid.) was the following: planning, organizing, staffing, directing, coordinating, reporting and budgeting. Planning is working out in broad outline the things that need to be done and the methods for doing them to accomplish the goal (purpose) set for the enterprise. These functions were seen as the tasks, functions or work areas for which only managers were responsible.

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4.3 Goal-attainment in Management Scholarship

The classical writers presented planning as the first task. In order to plan a goal must be given or formulated. Gulick (1937: 13) wrote on the function of reporting that it referred to 'keeping those to whom the executive is responsible informed on what is going on.' Daft (1988: 8) has described the process of management as planning, organizing, leading and controlling by linking the functions to resources as the input and performance (attainment of goals) as the output. Certo (1989) has stressed the interrelations of the four functions of management to the achievement of organizational goals. Griffin (1999) has linked the managerial functions to goal-attainment. Merchant and Van der Stede (2007, p. 5) have written that 'management control is the back end of the management process'.

When organizations are regarded as contrived entities that are established as vehicles for the owners, then goal-attainment becomes the basic definition of effectiveness. In business administration profitability can be seen as the major criterion of effectiveness for private enterprises. Profitability (i.e., return on investment, cash flow, and market-share

change) is the most conventional measure of current business performance (Hambrick 1983). The ultimate goal of a company is profitability (i.e., degree of return on assets) (Shetty 1979; Nash 1983; Walton & Dawson 2001).

5. THE FIELD OF LEADERSHIP RESEARCH

5.1 Goals and ownership in Leadership Scholarship

A problem when dealing with leadership comes from different ideas about *what* to lead and *whom* to lead. Managers lead business enterprises or public agencies. Political leaders lead political, religious, and humanitarian movements. In psychology the premise is often that there is a group to lead. It is also usually assumed that those to be led and the leader pursue a common goal (e.g., Hogan et al. 1994). Leadership is related to groups, which are based on common goals. Wallis (2002) has defined leadership in terms of collective goals and realization of group members' shared goals. Several scholars perceive the goals as the leader's goals or leader's goal-setting (e.g., Berson & Avolio, 2004; Berson, Halevy, Shamir, & Erez, 2015).

Private and public organizations are *not* based on common goals. Organizations are established to solve tasks in order to achieve given goals, and the major goals are decided by the owners. The people, who constitute the majority of the working population in the modern world, work in private or public organizations in order to achieve the goals of the shareholders or owners of companies or the citizens of their society. The employees may, however, support the goals of the organization more or less sincerely.

Over the years the conflation between leadership and management is increasing as the vast majority of empirical leadership research is on managers (formal leaders). An example is provided here. The *managerial* grid concept introduced by Blake and Mouton (1964) addresses five *leadership* styles. Thus, most leadership theories and empirical research concerns what may be called managerial leadership. Management pertains to functions and tasks basically while leadership pertains mostly to how managers behave related to tasks and subordinates.

The study object is leadership. Sayer (1992: 91) has written: 'What does the existence of this object (in its present form) presupposes?' What properties must exist for leadership to exist and to be what it is? What makes leadership possible? The argument here is that leader, subordinates, and tasks are the properties that must exist for leadership to exist and to be what it is. It is when, and *only* when, the leader interacts with the subordinates related to the solving of tasks that we may conceive and perform leadership. This is the core of leadership as it is related to individuals (leaders and subordinates), tasks and organization (Yukl, 2010).

This is, however, a too narrow conception of leadership. Managerial leadership cannot be described and understood without taking into consideration that leadership is exercised in an organizational context. The formal leader (manager) works in an organizational structure with resources, opportunities and restrictions. The formal leader (manager) also interacts with individuals inside his or her department and with individuals on other organizational levels as well as with individuals in other organizations. The term 'manager' refers to a position in a group or organization. A formal leader is a person who is responsible both for the subordinates and for the results.

Blake and Mouton (1985: 198) have defined leadership as follows: 'Processes of leadership are involved in achieving results with and through others.' They have, indeed, pinpointed what may be seen as the dilemma of leadership. The formal leader (manager) is responsible for results in accordance with organizational goals (i.e., effectiveness), but the leader can only achieve this through the efforts of subordinates and the actions of other people. Managers cannot attain the goals of the organization by their own efforts alone. If that were possible, there would be a need neither for an organization nor for a leader.

5.2 Activity in Leadership Scholarship

The functions of the executives are described neither in terms of *how* nor *how well* the work is done. It is important to distinguish between the task and functions of management and leadership or managerial behavior (Hales, 1986). Intensive lead-

ership research on leadership style based on seminal work from the Ohio State University leadership studies (Fleishman & Harris, 1962) found two basic dimensions in all managers' behavior. Leadership behavior has also been described with respect to leaders' (1) decision-making behaviors (e.g., Driver, Brousseau, & Hunsaker, 1990), (2) conflict-behaviors (e.g., Thomas, 1992), (3) motivation-based behavior (McClelland & Boyatzis, 1982) and transformational versus transactional leadership (Bass, 1985). Some researchers have claimed that some kinds of leadership are effective in themselves – universal theories (e.g., Blake & Mouton, 1964; Bass, 1985) while other claim that leadership effectiveness depends on the situation – contingency theories (e.g., Fiedler, 1967; Reddin, 1970; Hersey & Blanchard, 1988).

5.3 Goal-attainment in Leadership Scholarship

Jaques (1990: 5) has written: 'The managerial role has three critical features. First, and most critical, every manager must be held accountable not only for the work of the subordinates but also for adding value to their work.' The supreme task of the formal leader (manager) is to contribute to organizational effectiveness. Yukl (2010: 20) writes: 'The focus of much of the research has been on the determinants of leadership effectiveness.' The concept of goal-attainment in leadership theory is called organizational effectiveness. Leadership-effectiveness studies start with the goal of the organization and end with the degree of goal-attainment.

6. WHERE THE THEORETICAL GROUNDS GOT LOST

It is evident, however, that the theoretical bounds between these disciplines are not found in all writings. The notion of constituent and the concept of stakeholder derived from the open system theory to explain corporate governance turns out to be a theoretical dud. This is why contemporary organization literature to a large extent excludes corporate governance and ownership. A search in textbooks on organization theory and management for 'corporate governance' in the index shows that Cook and Hunsaker (2001) make no references, nor

do Scott (2003), Hitt, Black and Porter (2005), Daft (2007) and Jones (2013). However, Hatch (2006) makes one reference to corporate governance. Evan (1993) contains one chapter on governance, as do Hodge, Anthony and Gales (2003).

There are obvious reasons for this. Most literature on organization theory is based on open system theory which marginalizes the importance of goals and ownership while the original concept of constituent has been transformed into stakeholder. The idea stemming from the system theory that the organization needs to *adjust to* the constituents (stakeholders) has in the stakeholder perspective been turned into the idea of *management of* stakeholders. Pesueux and Damak-Ayadi (2005) have claimed that stakeholder theory as an organization theory helps to nourish a relational model of organizations. The rationalistic organization model is, however, contrary to the stakeholder model (Andersen, 2015). The stakeholder concept in corporate governance scholarship is the opposite of what we find in system theory. The concept of governance and corporate governance is not a part of system theory as presented by Katz and Kahn (1978). Several writers of corporate governance (e.g., Freeman, 1984; Letza et al., 2004; Freeman, Harrison, Wicks, Parmar, & de Colle, 2010) have, however, referred to contemporary textbooks on open system theory rather than to Katz and Kahn (1978).

Additionally, some scholars claim that managers (and not owners) decide organizational goals. Empirical studies of corporate governance and ownership support the arguments. Mace (1971) has found in his study that most boards of directors of large corporations did not establish objectives, strategies and policies. Indeed, Mace (ibid.) has claimed that the boards of directors were under control of their chief executive officer with respect to composition, information flow and activities. Despite the legal aspect of ownership, Fama (1980: 295) has written that 'the firm's security holders are generally too diversified across the securities of many firms to take much direct interest in a particular firm nor directly controlling the management of any individual firm.' Axworthy (1988) has suggested that it may be undesirable and inefficient for directors to carry out the directing or supervising function in regard to management. If the axiomatic

view that shareholders are the owners is adopted, the question remains who the principal is and what his goals should be, since different shareholders hold different objectives (Mostovicz et al., 2011).

Directors may delegate decision-making and control functions to top management, but the owners have the ultimate control if they so wish. Ultimately, it is the owners who themselves decide to what extent managers are allowed to decide goals and strategies and to take control. Numerous scholars, however, more or less ignore owners and ownership.

It is interesting to note what has happened over the years to the managerial functions presented by the classical writers. In contemporary textbooks the functions have partly been renamed and changed. Most profoundly, the function of *directing* described in the classical texts has been renamed or changed to *leading*. Certo (1989: 11) named the function of directing as *influencing*. However, the most striking feature in the history of management theory is the introduction of a counter-perspective. Now, management is not about achieving the goals of the owners, but rather about achieving the goals of the managers.

It is imperative to acknowledge that the main goal of the organization is the goal of the owners, principals or members. As stressed by the rationalistic organization theory, *ownership* needs to remain a major theoretical concept in organization theory. Jones (2013) is one of the very few current writers on organization who has stressed this vital point. Jones (2013: 60, 119; figures 2.1, 4.1, 4.3) distinguishes between four levels: Ownership (shareholders), trusteeship (board of directors), corporate

management and divisional and functional management. The inclusion of the subordinates makes the organizational concept complete.

This theoretical approach brings the relationship between owners and managers to the fore and thus corporate governance, organization theory as well management and leadership theories are intertwined. Corporate governance addresses the relationship between the owner and the managers. It is the system by which companies are directed, administered and controlled (Cadbury, 2000). We now have owners, managers on different levels and subordinates. By including ownership in the theoretical model, the concept of goal is logically added. In a formal organization the organization's goal is always the goal of the owner(s), which is strongly emphasized in the rationalistic organization theory. Table 1 summarizes these arguments.

7. CONCLUSION

The purpose of this article has been to show that the organization discipline as well as the corporate governance, management and leadership disciplines all come together theoretically. It is evident, however, that the theoretical bounds between these disciplines are not always acknowledged. Some scholars claim that managers (and not the owners) decide organizational goals while some others ignore owners and ownership. A basic element in organization theory contains goals while corporate governance deals with the relationship between the owners and their goals and the executive managers. Additionally, management theory pertains to an organization to be managed while

Table 1: The four theories and their explicit and implicit main concepts.

Theories/concepts	OWNERS	GOAL	ACTIVITY	GOAL-ATTAINMENT
Rat. org. theory	OWNERS	GOAL	Actions and behavior	GOAL-ATTAINMENT
Corp. governance	OWNERS	(Plans)	Direction, administration	(Control)
Management theory	(Boards)	(Plans)	Managerial functions (tasks)	(Control)
Leadership theory		GOAL	Actions and behavior	GOAL-ATTAINMENT

Legend: The shaded squares are theoretically main, explicit concepts. Concepts in brackets are not identical to the main concepts. The white fields imply a theoretical void.

leadership stresses the behavior and actions of formal leaders related to goal-attainment. These common grounds have been highlighted in order to indicate how research progress in one field can be beneficial to other research areas.

The field of organization research, especially rationalistic organization theory, supports corporate governance theory by clarifying the main relationships of the shareholder and the stakeholder perspectives of corporate governance. *Corporate governance* scholarship, on the other hand, can strengthen organization theory by broadening the view on ownership. Ownership of different kinds is found in private and public organizations in relation to the number of owners, the composition of owners, conflict and coalitions between owners and the board composition.

Both these two kinds of theories may be beneficial to the development of *the management discipline* by insisting on ownership and the owners' formulation of goals is the basis for planning and thus control. Additionally, management theory may be advanced by the articulation of the difference between the managers' functions and tasks, on the one hand, and the activities and behavior connected to the execution of the tasks of the manager, on the other. It is only when plans are explicitly based on clearly specified goals that control becomes meaningful. Otherwise, planning and control may be detrimental to long-term goal-attainment.

When we address the four main concepts (table 1) a void in *the theories of leadership discipline* strikes the eye. The concept of ownership is missing even though the concept of goal is present. Searches for the term 'owner', 'board of directors' and 'director' in the following nine books on leadership or leadership research have turned out to be futile (Barnard, 1938; Kotter, 1986; Bass, 1990; Antonakis, Cianciolo, & Sternberg, 2004; Bass & Riggio, 2006; Northouse, 2007; Ladkin, 2010; Yukl, 2010; Richards, 2015). The slight exception is Bass (2008), who has no references to owner/ownership, but has on two pages referred to board of directors.

A significant advancement in leadership scholarship could occur if ownership were to be included in the leadership concept. This is a critical gap that can be filled by rationalistic organization theory as

well by corporate governance scholarship. Additionally, when leadership is defined as the interface between a leader, the subordinates and the tasks, it is vital to stress that tasks in this context are the tasks which are directly or indirectly related to organizational goal-attainment. Arguably, the ownership structure has an impact on organizational goal-setting and explains how organizational goals and strategies are formulated and why they are changed.

Some scholars have quite recently investigated these relationships. Ownership and ownership strategies affect company subsidiaries and corporate social performance (e.g., Gaur & Lu, 2007; Neubaum & Zahra, 2006). The analysis of Liu, van Jaarsveld, Batt and Frost (2013) indicates that firms with greater share turnover and higher shareholder concentration were less likely to invest in human resource systems. The kind of ownership and the relationship between the owners, the board of director, and particularly with the chairman of the board, affect the manager (CEO) and leadership performance (George, Wiklund, & Zahra, 2005). Miller, Le Breton-Miller, Minichilli, Corbetta and Pittino (2014) have found that the ownership structure in family firms influenced the managers and the firms' performance. An extensive literature review by Johnson et al. (2015) has concluded that board composition was a critical element in the ability of the board to impact firm outcomes.

The goals, and the main goals in particular, are the basis for understanding the relationship between the owners and the executive managers. The goals are given to the managers to achieve influence how managers plan, organize, co-ordinate and control the activities. The types of goals affect how managers behave in order to stimulate and motivate subordinates in the effort of goal-attainment. How goals are articulated also affect employees (e.g., Madjar & Shalley, 2008).

The fields of organization, management, corporate governance and leadership all come together by the concepts of ownership, goal, activity and goal-attainment. Again, owners have goals for their organizations. The recognition of these common grounds can be most fruitful, for the progress in one field's research may benefit other research areas. It started with the goal, and it ended with goal-attainment.

EXTENDED SUMMARY / IZVLEČEK

Cilj članka "Vse se začne s cilji" je pokazati, da se v teoriji srečajo tako organizacijska veda kot tudi vede o korporacijskem upravljanju, ravnateljevanju (managementu) in vodenju. Tako koncepti cilja, aktivnosti in doseganja ciljev povezujejo omenjene vede in njihova preučevanja. Teoretične meje med temi disciplinami sicer obstajajo, pogosto pa ne obstajajo meje med preučevanji pojavov, s katerimi se ukvarjajo. Nekateri raziskovalci trdijo, da managerji (in ne lastniki) določijo cilje podjetja, medtem ko nekateri drugi lastnike in lastništvo celo povsem izločijo iz tega razmišljanja. Temeljni elementi v teoriji organizacije vključujejo cilje, medtem ko korporacijsko upravljanje preučuje razmerja med lastniki in njihovimi cilji ter izvršnimi ravnatelji. Poleg tega se teorija ravnateljevanja osredotoča na management združbe, medtem ko vodenje (angl. leadership) poudarja predvsem vodenje in dejanja vodij v zvezi s doseganjem oz. uresničevanjem ciljev. Ti skupni temelji so poudarjeni z namenom pokazati povezanost področij oziroma preučevanje določenih pojavov z različnih vidikov. Tako lahko raziskave na enem področju koristijo drugim raziskovalnim področjem. Seveda pa je posledica tudi ta, da vidik preučevanja pogosto ni jasno določen in da prihaja do prekrivanja preučevanja istih pojavov.

Področje raziskovanja organizacije, še posebej racionalistična teorija organizacije, podpira teorijo korporacijskega upravljanja z razjasnitvijo osnovnih razmerij med delničarji in drugimi zainteresiranimi deležniki v upravljanju. Raziskave korporacijskega upravljanja pa po drugi strani lahko okrepijo teorijo organizacije z razširitvijo pogleda na lastništvo. Lastništvo različnih vrst najdemo v zasebnih in javnih združbah, ki se razlikujejo tudi glede na število in sestavo lastnikov ter konflikte in koalicije med lastniki in posledično sestavo nadzornega sveta.

Obe teoriji, organizacijska in upravljavska, sta lahko koristni tudi za razvoj vede o ravnateljevanju s poudarjanjem lastništva in vpliva lastnikov na oblikovanje ciljev, kar je osnova za načrtovanje in nadzor. Poleg tega se lahko teorija ravnateljevanja razvija tudi na podlagi razlik med funkcijami in nalogami managerjev na eni strani ter dejavnosti in vedenja povezanih z izvajanjem ravnateljevalnih nalog na drugi strani. Šele ko načrti izrecno temeljijo na jasno opredeljenih ciljih, je nadzor smiseln. V nasprotnem primeru, da cilji niso jasno opredeljeni, lahko načrtovanje in nadzor negativno vplivata na dolgoročno doseganje ciljev.

Ko smo obravnavali štiri glavne pojme naše obravnave (teorija organizacije, korporacijsko upravljanje, ravnateljevanje in vodenje), smo ugotovili predvsem nejasnosti v teoriji vodenja. Predvsem manjka povezava s konceptom lastništva, čeprav je prisoten koncept ciljev. Ko smo v knjigah in raziskavah o vodenju iskali izraze "lastnik", "nadzorni svet" in "direktor", se je izkazalo, da le-teh ni. Pomemben napredek v raziskavah o vodenju bi lahko bil, če bi vključili tudi lastništvo v koncept vodenja. To je kritična vrzel, ki se jo lahko zapolni z racionalistično teorijo organizacije kot tudi z raziskavami korporacijskega upravljanja. Če je vodenje opredeljeno kot vmesnik med vodjem, njegovimi podrejenimi in nalogami, je nujno poudariti, da so naloge v zvezi s tem tiste, ki so neposredno ali posredno povezane z doseganjem ciljev združbe, ki jih določa tudi teorija organizacije. Domnevamo, da lastniška struktura vpliva na postavljanje ciljev v združbi in pojasnjuje, kako so ti cilji in strategije oblikovane in zakaj se spreminjajo.

Cilji oziroma predvsem glavni cilji so osnova za razumevanje razmerja med lastniki in izvršnimi ravnatelji. Cilji so dani ravnateljem z namenom vplivanja z namenom določanja, kako le-ti načrtujejo, organizirajo, usklajujejo in nadzirajo dejavnosti. Različne vrste ciljev vplivajo na način vedenja ravnateljev z namenom, da bi spodbudili in motivirali podrejene v prizadevanju za doseganje ciljev. Področja organizacije, managementa, korporacijskega upravljanja in vodenja se srečajo v konceptih lastništva, ciljev, dejavnosti in doseganja ciljev. Lastniki imajo namreč cilje z združbami, ki jih imajo v lasti. V združbah se ti cilji razvijajo v cilje, ki jih postavljajo ravnatelji in v procesu vodenja poskušajo doseči s podrejenimi. Obenem pa imajo cilji ključno vlogo v sami teoriji organizacije, saj z njo zago-

tavljamo smotrno doseganje ciljev. Priznavanje teh dejstev lahko vodi do spoznanja, da je za lahko napredek na področju raziskav na enem področju koristen na drugih raziskovalnih področjih. Obenem pa je ključno spoznanje, da se vse začneja s cilji in konča z njihovim doseganjem.

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