

## INTERACTION BETWEEN THE MANAGER AND THE HIDDEN INFORMAL LEADER

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**Purpose:** The purpose of this article is to explore the issues surrounding hidden informal leadership. Namely, the theoretical foundations of this phenomenon and the methodological foundations of effective interaction between a formal leader and a hidden informal leader.

**Design/methodology/approach:** The research method used in the article is the analysis scientific works of researchers studying the psychological features of the leadership phenomenon. The research procedure included a review of scientific literature, methodological analysis, identification of consistent connections between the structural parts of the researched problem, and deductive reasoning.

**Findings:** The paper examines the issue of hidden informal leadership in the organization. The formal manager's attention to such leaders is necessary because the influence of a hidden informal leader can be both positive and negative. On the one hand, the potential of a hidden informal leader can be realized to achieve the goals of the organization. On the other hand, a hidden informal leader can have a negative impact on the team, impairing communication between the leader and the team. Developed emotional intelligence is a critical leadership quality of a formal manager to manage relationships with hidden informal leaders.

**Research limitations/implications:** Our suggestions for future research are conducting surveys in organizations of various spheres of activity to identify hidden informal leaders.

**Practical implications:** Since the effectiveness of organizations depends on the interaction and influence of the formal manager on the team, the socio-psychological direction of these relationships is critical in achieving the point of the organizational system.

**Social implications:** The activities of employees in progressive organizations with people-oriented styles of interaction between the manager and the staff have a positive effect on the quality of life of each participant in the process.

**Originality/value:** The results of the study show the importance of studying issues related to hidden informal leadership due to the possibility of positive and negative consequences of the interaction of such leaders with other team members. The established connections between the communication style of leadership and 1) leadership qualities of formal leaders and 2) human-oriented styles of interaction of the manager with the staff make it possible to use the identified practical and methodological approach to the effective operation of the organization.

**Keywords:** leadership, hidden informal leader, communication styles, emotional intelligence, human-oriented leadership styles.

**Category of the paper:** Research paper.

## 1. Introduction

The central resource of organizations' economic development is the organizational system's social component, that is, people. There is a need for personnel management for the purposeful and coordinated activity of groups of people who make up the organization. An effective manager can influence the personnel he manages in such a way that the achievement of the organization's goals satisfies the needs of each participant in the process.

The combination of economic development of the organization and improvement of social relations in the team depends on the level of leadership competencies of the manager. First, leadership is a real and vastly consequential phenomenon, perhaps the single most important issue in the human sciences. Second, leadership is about the performance of teams, groups, and organizations. Good leadership promotes effective team and group performance, which in turn enhances the well-being of the incumbents; bad leadership degrades the quality of life for everyone associated with it. Third, personality predicts leadership—who we are is how we lead—and this information can be used to select future leaders or improve the performance of current incumbents (Hogan et al., 2005).

## 2. Forms of leadership in the organization

In a broad sense, it is relevant to consider leadership as an intermediary between the environment and the organization system (Shvindina, 2017). Leadership in the organization exists in two forms - formal and informal leadership. The formal leader is the CEO, manager, chief officer, supervisor or whatever title is used (Aarum Andersen, 2009). That is, a formal leader is an officially appointed manager who has three levers of influence on the team: administrative, economic, and socio-psychological. Typically, informal leaders have not been officially vested with any kind of formal status, but they have attained positions of motivator and leader (Smart, 2010). Informal leaders can influence followers by using socio-psychological management methods.

Informal leaders who appear in the team need special attention of the manager. This is due to the fact that an informal leader can influence the team positively and negatively.

The informal leader plays a very influential role and as such gets the group to work together, plays the liaison role between management and the group and due to either age, experience or specific resources and skill has the ability to obtain group results that are sometimes achieved with more difficulty through the leadership of the formal hierarchical structure (Wienekus, 2010). An informal leader who aims to achieve effective results of the organization in which he works is able to positively influence his followers and help realize the organization's mission.

### 3. Risks associated with the emergence of an informal leader

The real difference between formal and informal leaders is the levels of accountability and authority. Formal leaders should maintain a strong relationship with the informal leader to ensure the greatest social capital, which helps in meeting organizational objectives (Miner, 2013). To form a productive relationship between formal and informal leaders, the formal manager must communicate regularly with the team. Communication with staff can ensure the avoidance of risks associated with the emergence of an informal leader. Scientists who study the peculiarities of the phenomenon of leadership offer three types of such risks. These types are listed in Table 1.

**Table 1.**

*Three types of leadership risk perceptions according to research by Zhang Chen, Nahrgang Jennifer D, Ashford Susan J., DeRue D. Scott*

Types of leadership risk perceptions	Characteristics of risk
Interpersonal	individuals' judgment that the act of leading will harm their relationships with other people
Image	individuals' judgment that the act of leading will impair the impressions other people hold of them
Instrumental	individuals' judgment that the act of leading may hinder their personal success due to potential failure in the collective work

Source: Zhang et al., 2020.

Based on the data in Table 1, it can be argued that a negative perception of formal leadership (without objective reasons) when an informal leader appears can cause some damage to the organization. An informal leader can have a negative impact on staff, undermining the authority of the formal leader and worsening the quality of the manager's communication with employees.

#### **4. Hidden informal leaders**

Hidden informal leaders need the careful attention of the manager, on the one hand, whose potential can be used for the development of the organization, and on the other hand, to prevent possible negative consequences of the influence of an informal leader.

There are three common reasons why leaders get overlooked, none of them easily overcome by the leadership harvesting approaches prevalent at many organizations:

- Persistent challenges (typical for large organizations, where there is a threat of not noticing the leader due to a large number of employees; bias in the selection process; problem of the narrow top-down lens that senior leaders often use when looking for leadership talent).
- Disappointing harvests (failure to notice leadership qualities in employees who unusually show such qualities). (Lane et al., 2017).

That is, the most common reasons for the emergence of hidden non-formal leaders are related to the communication process between the manager and the staff.

#### **5. Communication style and leadership qualities of the manager**

The formation of an effective manager's communication style to identify hidden informal leaders requires the manager to possess certain leadership qualities. Goleman, a scientist in the field of emotional intelligence research, describes four main leadership qualities of effective managers: Self-awareness (emotional self-awareness, accurate self-assessment, self-confidence); Self-management (self-control, transparency, adaptability, achievement, initiative, optimism); Social awareness (empathy, organizational awareness, service); Relationship management (inspiration, influence, developing others, change catalyst, conflict management, teamwork, and collaboration) (Goleman, 2011).

Table 2 shows the characteristics of effective manager communication styles (de Vries et al., 2010; Othman et al., 2017; Radu et al., 2014; Hackman et al., 2013; Bakker-Pieper et al., 2013) and leadership qualities (Goleman, 2011), thanks to which it is possible to form the described communication styles.

**Table 2.***Communication styles of a formal leader to identify hidden informal leaders*

No.	The communication style of a formal leader	Leadership qualities
1.	Human-oriented leadership is strongly associated with the communication style supportiveness, and to a lesser extent with leader's expressiveness and (a lack of) leader's verbal aggressiveness (de Vries et al., 2010)	Self-management, Social awareness (Goleman, 2011)
2.	Supportive leaders and clear communications positively enact social connectedness between managers and subordinates (Othman et al., 2017)	Self-awareness, Self-management (Goleman, 2011)
3.	Leaders have to assure themselves that the employees have a balanced system of satisfied needs and of the adequate rewards, because, between all the motivating factors, exclusively pecuniary, that may increase the subjective value of work, the recognition of individual success and the encouragement for communication at the working place are determinant in obtaining the performant participation of employees (Radu et al., 2014)	Social awareness (Goleman, 2011)
4.	Good communication: Includes setting goals, setting direction, managing tension and conflict, and summarizing (Hackman et al., 2013)	Social awareness, Relationship management (Goleman, 2011)
5.	In everyday leader practice, the content of the communication should make sense. However, we assume that the level of preciseness will determine the ease and speed (or lack) of the subordinates' understanding of the message. If a leader doesn't succeed in communicating ideas, views, information, instructions, plans, and targets in a clear and unambiguous way, subordinates may find it harder to determine what is expected of them (Bakker-Pieper et al., 2013)	Self-management, Relationship management (Goleman, 2011)

Source: constructed by authors.

The proposed communication styles of the formal manager's interaction with the team allow practical cooperation with informal leaders due to the presence of leadership qualities that are components of emotional intelligence. Emotional intelligence is an essential component of effective leadership. (Kets de Vries, 1994; Sadri, 2012).

## 6. Human-oriented leadership styles

The process of interaction between a formal manager and a hidden informal leader, whose potential can be effectively used to achieve the organization's goals, consists of three stages: Discover the Hidden Leader, Develop the Hidden Leader, and Support the Hidden Leader (Edinger et al., 2015).

The discover for a hidden informal leader is implemented by interviewing team members. Companies can construct simple, anonymous e-mail surveys to ask, for example: "Who do you go to for information when you have trouble at work?" or "Whose advice do you trust and respect?" (Duan et al., 2014). Such a simple survey is an effective tool in identifying hidden informal leaders. It is the opinion of the team members that forms the list of potential informal leaders. This is due to the fact that employees are inside a group and interact with each other during the work process.

Having identified a hidden informal leader who can be helpful in the development of the organization, the manager faces the task of developing and supporting this informal leader. In our opinion, for Develop the Hidden Leader and Support the Hidden Leader, an effective tool of a formal manager is a subcomponent of emotional intelligence – empathy (Bar-On, 2010). Thanks to empathy, it is possible to understand the motives and needs of other people. (Goleman et al., 2008). The presence of advanced emotional intelligence in leaders ensures the formation of effective patterns of interaction between the manager and the staff, which may include informal leaders – hidden and active.

Therefore, the identification and subsequent interaction of a manager with a hidden informal leader depends on the communication styles of formal managers, which are a component of the leadership styles used by the manager in his activities (Wikaningrum et al., 2018; Çetin et al., 2012; Kelly et al., 2016). For a clear understanding of all the socio-psychological characteristics of the team and the achievement of the organization's goals, the formal leader must use human-oriented management styles (Kuzior et al., 2022). These leadership styles include democratic, transformational, and charismatic leadership styles. Table 3 presents the general feature of the proposed people-oriented leadership styles of the manager.

**Table 3.**

*Features of the manager's democratic, transformational and charismatic leadership styles*

<b>Human-oriented leadership style of the manager</b>	<b>Characteristics of leadership style</b>	<b>General feature of human-oriented leadership styles</b>
Democratic	Although a Democratic leader will make the final decision, he/she invites other members of the team to contribute the decision making process. (Bhatti et al., 2012)	A formal democratic leader invites team members into the decision-making process
Transformational	Includes 4 factors: idealized influence (charisma), individualized consideration, intellectual stimulation, and inspirational motivation. A special component belongs to the implementation tools of individualized consideration. They also delegate, coach, advise, and provide feedback for use in the personal development of followers. (Bass et al., 1990)	A formal transformational leader delegates tasks to team members
Charismatic	Includes such components as effective communication, vision, integrity, humor, and delegation to the leadership task. (Bell, 2013)	A formal charismatic leader delegates tasks to team members

Source: constructed by authors.

A unique and general characteristic of the described human-oriented leadership styles is the formal manager's ability to delegate responsibilities to team members. Thanks to this action, in our opinion, there is an opportunity to identify a hidden informal leader and to cooperate with him effectively. By delegating the performance of a task to another person, this person:

- gets the opportunity to develop and improve his skills and competence in a particular field,
- can increase one's self-confidence, which is then transferred to other situations (Baker et al., 2022).

By delegating specific responsibilities, the formal leader gets the opportunity to identify the hidden informal leader and clearly understand what positive or negative results may occur in the organization when interacting with other participants.

## 7. Summary

Therefore, an effective formal leader is a crucial figure in an organization that ensures its development and high performance. One of the essential tasks of an effective leader is the formation of effective communication with subordinates. Such communication can provide a solution to an essential managerial task – understanding the socio-psychological characteristics of the team.

Hidden informal leaders can become an additional powerful human resource in the organization or harm the activity of the organizational system. Actions by informal leaders against a formal leader can harm the entire organization and its members. They can threaten the stability of the organization. Thus, identifying and interacting with the hidden informal leader are the manager's tasks for the effective operation of the organization.

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