

2013-09-27

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Marcus Goncalves. 2013. "The Right Power for the Right Organization." JOURNAL OF LEADERSHIP, ACCOUNTABILITY AND ETHICS, Volume 10, Issue 3, pp. 135 - 139 (5).

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The Right Power for the Right Organization

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This paper is an attempt to briefly explain the various techniques of gaining power in an organization, and how one would use these powers (or not) when managing organizational behavior. Oftentimes, the leadership of a corporation is in jeopardy when little attention is given to how power is deployed. Moreover, this paper discusses how the leadership process itself can become a monologue when divorced from the mission of the organization, its people and the culture it permeates. It suggests that the unsuccessful corporate leader will remain ineffective, despite advanced degrees, as long as the art and the science of influencing people continue to be taught and studied in a historic vacuum.

INTRODUCTION

This research paper has two main objectives: first, it is an attempt to briefly explain the various techniques of gaining power in an organization, and how one would use these powers (or not) when managing organizational behavior. Oftentimes, the leadership of a corporation is in jeopardy when little attention is given to how power, or “the ability to influence subordinates and peers” (Montana & Charnov, 2000, p.255) is used. The leadership process itself can become a monologue when divorced from the mission of the organization, its people and the culture it permeates. The unsuccessful corporate leader will remain ineffective, despite advanced degrees, so long as the art and the science of influencing people continue to be taught in a historic vacuum. That is why recently, as market demands increase, there has been a push for mastery in management and organizational behavior degrees at leading universities and colleges in the United States and the world.

The use of power in organizations during the agricultural era (or *wave*, as Toffler would probably have phrased in his book *The Third Wave*) must have been significantly different after the industrial revolution. Not only had the working environment changed dramatically, but the people, particularly professionals, had changed as well. They were coping with inexorable transformations as they fled the farms and flocked to the mills and industrial parks. Hence, under a historic context, what are the main power techniques available today, not for the information age of the latter part of the last century, but rather for the knowledge economy that characterizes this new century? What are the most successful forms of power to be adopted?

This paper attempts to address some of these issues, although it is not intended to be exhaustive; it does not portray the history in all varieties of individual organizational powers within an organizational setting, or proclaim the best form of power to be adopted in any given organization. It does, however, provide a bit of each, as it strives to provide an overview of the types of individual powers while suggesting certain forms of powers necessary to lead what Rolf Jensen called “the dream society” (1999, p.15).

Leadership Styles: The Power to Influence Others

Leadership within organizations is only attainable through the combination and use of power and authority. As discussed by John Kotter “power is the ability to influence others to get things done, while authority is the formal rights that come to a person who occupies a particular position, since power does not necessarily accompany a position” (1985, p.86). Problems always arise when power is imposed without the backing of authority, which almost invariably is opposed.

While too often we can find powerful people who do not hold genuine positions of authority, we frequently find people who are in a position of authority, but are powerless to influence the behavior of others. Leadership can be learned, and power can be developed, but in order to be an effective leader, one must be able to distinguish from the various forms of power and select the one most in line with his or her leadership style, character traits and working environment.

There are seven types of management powers, which can be used separately or in combination. The most successful leaders are capable of using most, if not all of these, simultaneously. While others less fortunate find themselves stagnated with limitations they must overcome. It is worth noting that the most common description of power is French and Raven's, dated back to 1960, which includes the first five forms of power listed below. The seven types of management powers are: Legitimate, Expert, Coercive, Reward, Referent, Charisma and Information.

Legitimate Power refers to the authority of a formal position, and stems from the concept of ownership rights. Although a plethora of leaders believe that their power augments as they are promoted through the ranks, without personal power, legitimate or position power has its limitations, as their power can become diluted.

Expert Power does not rely on formal positions, as it originates from people who possess technical information, or specific skills and expertise respected by others. These professionals are typically promoted into managerial positions because they have performed at an outstanding level in their technical functions. Unless these experts recognize the need to exercise power and influence over their subordinates and peers, they will never be able to become the leaders they aspire to be. They may continue to be experts in their field, but they will never gain the respect they need in order to affect others' behaviors.

Coercive power tends to be ubiquitous in many organizations, especially the military. It is a negative form of power aimed at influencing others by instilling fear in them. Coercive power does not encourage or motivate desired performance, but it does discourage undesired actions. North Korea comes to mind, as an isolated, hungry, bankrupt and belligerent country, where according to Blaine Harden, in his book *Escape From Camp 14* (2012), between 150,000 and 200,000 people are being held in its political prison camps, which have existed twice as long as Stalin's Soviet gulags and twelve times as long as the Nazi concentration camps. Very few born and raised in these camps have escaped. Although workers in developed countries have little to fear with regard to physical harm, the reality is much different in Third World countries, particularly, those with closed economies such as North Korea.

Nonetheless, in the preponderance of organizations today, managers continue to instill fear in their subordinates by threatening them with “if-then” statements and consequences such as being fired, demoted, having bad reviews, and so on. Many workers, though they may not admit it, carry some level of fear with them into the workplace, from fear of reprisals to sabotage of their efforts. This is especially true when managers hold a great deal of power over them and have the power to withhold benefits, including raises, assignment choices or rewards. Fortunately, most managers today do not generally use overt fear as a way of getting things done.

Reward power results in workers doing what is asked because they desire positive benefits or rewards. Rewards can be anything a worker values, including, but not limited to, praise, pecuniary compensation and promotion. For instance, one of the primary reasons people work is for the remuneration they receive at the end of the payroll cycle, so they can carry on with their lives. There are countless other forms of rewards, and anything that can be desired can be a form of reward, from a million dollar airplane to a couple of tickets to a baseball game. Reward power is, therefore, the ability to give other people what they want while simultaneously asking them to do things you want; a quid-pro-

quo exchange. Interestingly enough, reward power can be used to punish (passive coercion), when rewards are withheld in response to poor performance.

Referent power is gained by association between the person exercising power and some icon that actually *wields* influence and power. For instance, if someone is applying for a job, that person can influence the chances of being hired by imposing some referent power to the hiring manager, mentioning they know the CEO very well, and that he has been encouraged to apply for said position because he believes the applicant has the right credentials. Those with referent power can also use it for coercion. As humans, one of our greatest fears is social exclusion. All it takes is a derogatory or pejorative word from a social leader for us to be shunned by others in our community.

Charisma power is a way to exert influence over people through force of character, and to get them to do what the leader wants, thus modifying behavior. In the words of D.A. Benton “you know charisma when you see it in executives who exude self-confidence, style, composure, authority, and a boundless energy that propels them straight into the corner office” (2003, p.125). Benton goes on to say “executive charisma is the ability to gain effective responses from others by using aware actions and considerate civility in order to get useful things done” (Ibid, p. 132).

Information power is derived from information knowledge (an asset) a leader possesses to strategically influence the behavior, attitudes and values in their favor. It is, therefore, based upon the persuasiveness or content of a communication, and is independent of the influencing individual.

The Right Power for the Right Organization

In an ideal corporate scenario, effective leaders should be virtually idolized by the people they lead, or as Goncalves suggests in his book, *The Knowledge Tornado*, “Chief Executive Officers (CEOs) should embody the role of Chief Enchanter Officers” (2012, p.145). Mark Stevens goes even further by asserting in his book *“Extreme Management: What They Teach at Harvard Business School’s Advanced Management Program,”* (2001, p. 2) that “not for their touchy-feely traits, but as men and women willing to wade into the most troublesome, perplexing, and sometimes frightening situations at the head of the pack. These are managers willing to take the heat, accept risks and make difficult decisions under fire.” But what sort of power does this type of leader need in order to achieve such a high level of performance? The answer cannot be found until one taps into the historical context of where organizations have been and where they are headed: from agricultural, to industrial, to information, to knowledge to finally, imagination.

Irrefutably, in order to prosper in the 21st century, business organizations must transform themselves. The new management paradigm, however, should not be a complex one. It should actually be quite simple; one that has been fueling human beings for over 2,000 years; one that has proven to be effective with all cultures across the globe, and people of all ages, especially in times of extensive changes and chaos. Leaders will have to tap into the power of... imagination!

In this new century, successful leaders will have to become storytellers. Not only are we seduced by stories (that’s why we like books, movies and theater), but also we must invariably place stories above price and quality. We often justify a lack of or excess of those attributes with stories. We always have a story for why we must pay the high cost for a Starbucks coffee, or for a high-priced Apple computer, for a higher cost FedEx shipment or skyrocketing tuitions at colleges and universities. Yet, all the organizations listed above have leaders that knew how to tell their story, not only to their peers and subordinates, but also to the public, thereby becoming somewhat of a celebrity in the process.

Therefore, it is my belief that today’s leaders must possess the power of storytelling. I’m not about to advocate an eighth type of power (actually, why not?), but to convey, at least for the time being, that the power of charisma, along with the power of information should be the predominant types of power leaders should master. No longer do legitimate and coercive powers hold the edge. On the contrary, in a business world full of deceit and greed, unless leaders have a good story to tell, no one will be willing to follow. In the end, how do you know if you are a leader? Not by any of the power traits discussed here, but by simply looking back and finding out if there is anyone following you. If so, then you are a leader.

If not, then you might want to go back to read Dr. Seuss all over again to learn the art and science of telling your story.

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