
UNIT 17 POWER DYNAMICS

Objectives

After going through this unit, you should be able to:

- diagnose the extent, location and types of power in an organisation;
- understand how and by whom power is exercised in an organisation;
- examine different aspects of power dynamics in an organisation.

Structure

- 17.1 Introduction
- 17.2 Concept of Power
- 17.3 Differentiating Power from Authority and Influence
- 17.4 Sources of Power
- 17.5 The Bases of Power
- 17.6 Using Power Ethically
- 17.7 The Dynamics of Power
- 17.8 Summary
- 17.9 Self Assessment Questions
- 17.10 Further Readings

17.1 INTRODUCTION

Power is a potentially sinister subject. 'Power' says Bierstedt (1950), 'stands behind every association and sustains its structure. Without power there is no organisation and without power there is no order.' Paradoxically, the most potent exercise of power may be invisible. Power relations can be subtly changing and ambiguous. In theory, managers command and employees obey. In practice, it is not always so. Indeed, what appears as unquestioning obedience may actually be a covert form of resistance. It is useful, therefore, to understand something about the nature of power in organisations.

17.2 CONCEPT OF POWER

Power is said to be like love, impossible to define but easy enough to recognise (Martin, 1977). Power is understood as the ability to influence other people and events.

In the words of White and Bednar, "Power is the ability, to influence people of things, usually obtained through the control of important resources."

A comprehensive definition of power is given by Dahl (1957), when he wrote that "A has power over B to the extent that he can get B to do something B would not otherwise do." Russell (1938) conceptualizes power as "the production of intended effects."

Dehl's definition suggests that power must overcome resistance in order to succeed whereas according to Russell, power need not imply resistance. All the above definitions suggest that power involves compulsion.

There has been a recent trend towards empowerment, the shifting of power away from managers and into bands of subordinates. Empowerment occurs in varying degrees in different organisations.



17.3 DIFFERENTIATING POWER FROM AUTHORITY AND INFLUENCE

Usually, the term power is intertwined with another concept, authority. But there is a difference between the two concepts. Power refers to the capacity to influence others. The person who possesses power has the ability to manipulate or change the behaviour of others. Authority, on the other hand, is the source of power. Authority is legitimate and it confers legitimacy to power. Power itself need not be legitimate.

Authority exists where one person has a formal right to command and another has a formal obligation to obey. Authority may be seen as institutionalised power. For example, a police officer has authority to 'stop' a motorist. The motorist is legally obliged to comply. Managers are said to possess a 'right to manage'. Employees are legally obliged to obey the employer's instructions provided these are lawful and within the scope of the contract of employment.

Whereas power and authority are potentially mandatory, influence, by contrast implies persuasion. Influence is usually conceived of being broader in scope, than power, Influence is more closely associated with leadership than power, but both obviously are involved in the leadership process.

Marx was highly influential but not powerful. in contrast Stalin was powerful but not influential. In organisations, employees may influence decisions through joint consultative committees and other mechanisms, yet the organisation reserves the final say.

17.4 SOURCES OF POWER

Interpersonal Sources of Power

French and Raven identify five interpersonal sources of power: reward power, coercive power, legitimate power, expert power, and referent power.

Reward power: Reward power is an individual's ability to influence others' behaviour by rewarding their desirable behaviour. Employees comply with requests and directives because of the authority of managers to grant rewards in the form of praise, promotions, salary increase, bonuses, and time-off. Reward power can lead to better performance, but only as long as the employee sees a clear and strong link between performance and rewards.

Coercive power: Coercive power is an individual's ability to influence others' behaviour by means of punishment for undesirable behaviour. For example, subordinates may comply because they expect to be punished for failure to respond favourably to managerial directives. Punishment may be major or minor, depending on the nature of omission or commission.

Legitimate Power: Legitimate power most often refers to a manager's ability to influence subordinates' behaviour because of the manager's position in the organisational hierarchy. Subordinates may respond to such influence because they acknowledge the manager's legitimate right to prescribe certain behaviours.

Legitimate power is an important organisational concept. Typically, a manager is empowered to make decisions within a specific area of responsibility, such as quality control, accounting, human resource, marketing, and so on.

Expert power: Expert power is an individual's ability to influence others' behaviour because of recognised skills, talents, or specialised knowledge. To the extent that managers can demonstrate competence in analysing, evaluating, controlling, and implementing the tasks of subordinates, they will acquire expert power.



Referent power: Referent power is an individual's ability to influence others' behaviour as a result of being liked or admired. For instance, subordinates' identification with a manager often forms the basis for referent power. This identification may include the desire of the subordinates to emulate the manager. Referent power is usually associated with the individuals who possess admired personality characteristics, charisma, or a good reputation.

Structural Sources of Power

Much of the attention directed at power in organisations tends to focus on the power of managers over subordinates. An additional perspective is that the characteristics of the situation affect or determine power. Important structural sources of power include knowledge, resources, decision making and networks.

Knowledge as power: Organisations are information processors that must use knowledge to produce goods and services. The concept of knowledge as power means that individuals, teams, groups, or departments that possess knowledge are crucial in attaining the organisation's goals. Intellectual capital represents the knowledge, know-how, and competency that exists in the organisation. This intellectual capital can provide an organisation with a competitive edge in the marketplace.

Resources as power: Organisations need a variety of resources, including money, human resources, equipment, materials, and customers to survive. The importance of specific resources to an organisation's success and the difficulty in obtaining them vary from situation to situation. The departments, groups, or individuals who can provide essential or difficult-to-obtain resources acquire more power in the organisation than others.

Decision making as power: The decision making process in an organisation creates more or less power differences among individuals or groups. Managers exercise considerable power in an organisation simply because of their decision making ability. Although decision making is an important aspect of power in every organisation, cultural differences make for some interesting differences in the relationship. For example, in Chinese organisation, decision making power was more decentralised in manufacturing firms than in service organisations. The reverse was true in British firms, with power being more decentralised in the service organisations than in the manufacturing firms.

Networks as power: The existence of structural and situational power depends not only on access to information, resources and decision making, but also on the ability to get cooperation in carrying out tasks. Managers and departments that have connecting links with other individuals and departments in the organisation will be more powerful than those who don't have.

17.5 THE BASES OF POWER

Etzioni identifies three basic resources of power namely, (a) coercion, (b) remunerative power, and (c) normative power.

Coercion means the ability to manipulate physical sanctions including physical chastisement, forcible detention, to deprive a person of food, sleep and other physiological needs. Force is therefore required in order to obtain compliance. Examples of such organisations include jails, detention centres, concentration camps, and some psychiatric hospitals.

Remunerative power refers to the ability to manipulate material rewards and sanctions including salaries, wages, promotions and training. Utilitarian organisations engage in 'producing goods and services for sale in the market place. Material inducement is



required to procure compliance. Such organisations include factories, hotels and commercial enterprises.

Normative power rests upon human need for approval and recognition. It refers to the ability to manipulate symbols including medals, gadgets, badges and certificates. Normative organisations are those whose mission is primarily idealistic or value-based. Such organisations include voluntary organisations and political groups, schools, universities and hospitals. The members of these organisations are highly committed.

According to Etzioni each form of power is associated with a particular form of involvement. Coercion is associated with alienation and hostility, remunerative power with calculative involvement and normative power with moral involvement.

Another influential contribution to the literature and power in organisations is French and Raven's typology of power.

French and Raven's Typology of Power	
Coercion	The ability to deprive, that is, to decrease another's outcomes.
Reward	The ability to control that which another party values, that is, to increase another's outcomes.
Expertise	Possession of specialized knowledge.
Information	Possession of or control of access to important data concerning the organisation and its environment.
Legitimacy	Synonymous with authority, that is, the power which emanates from a person's position in the organisation.
Referent	Ability to exert charisma, to procure commitment.

Source: Drummond H., Introduction to Organisational Behaviour, p. 129.

17.6 USING POWER ETHICALLY

To be considered ethical, power-related behaviour must meet three criteria:

1. Does the behaviour produce a good outcome for people both inside and outside the organisation? If the power-related behaviour serves only the individual's self-interest and fails to help the organisation reach its goals, it is considered unethical.
2. Does the behaviour respect the rights of all parties? The question emphasises the criterion of individual rights. Free speech, privacy, and the process are individual rights that are to be respected, and power-related behaviours that violate these rights are considered unethical.
3. Does the behaviour treat all parties equitable and fairly? This question represents the criterion of distributive justice. Power-related behaviour that treats one party arbitrarily or benefits one party at the expense of another is unethical.

Activity 1

1. Based on your own experience, give example of both effective and ineffective uses of power.

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17.7 THE DYNAMICS OF POWER

Power is a part of the fabric of organisation. To appreciate the reality of organisations it is necessary to know something about the nature and dynamics of power in organisations.

Informal Power: In *theory* an employee is allotted sufficient power to enable him to do his job, no more and no less. In practice people in organisations can acquire power beyond what their formal role might suggest. Power without authority is sometimes known as illegitimate or informal power. Informal power arises because organisations cannot legislate for every contingency.

Organisational rules specify what employees can or cannot do in particular circumstances. For example, financial regulations may stipulate which office holders have authority to sign cheques or enter into contracts. Yet in every organisation there is inevitably room to exercise discretion. Discretion means that a person has the option of acting differently. Indeed without it the organisation would run into difficulties.

Power relations are inherently dynamic and apt to change over time. For instance, if rewards are administered regularly they may be regarded as coercion because of the threat of withdrawal. Informal power is usually legitimated in time. Any source or person who is regularly consulted becomes an authority.

Resistance in Organisations: The impetus to resistance in organisations stems from the potential for tension between organisational and individual interest. What is good for the organisation may be detrimental to its employees and vice versa. One form of resistance is where employees try to escape managerial domination by 'distancing' themselves physically or symbolically from those in control. Another form of resistance involves demand for greater involvement in participative decision-making and implementation in the organisation.

The dynamics of power can be studied from several angles, viz., distribution, dependency, uncertainty, compliance, indicators, power determinants, power consequences, and symbols and reputation.

Distribution

- There is no rational in the distribution of power among organisational members. Some may yield more power than others. Often, the power wielded by one member may be disproportionate to the organisational position he holds."
- Those in power try to grab more of it. They strongly resist any attempt to weaken the power they wielded.
- An individual cannot have power at all places and at all times. He may be forced to forgo his power or he may be stripped of it. He resists attempts to weaken his power, in the event of failure he will try to form coalition. There is strength in numbers.

Dependency

- As indicated earlier, power largely depends on dependency relationship. The greater X depends on Y, the greater the power of Y on X.
- The greater the dependency of an organisation on a limited number of individuals, the greater the power these individuals enjoy,
- A person who cannot be easily displaced enjoys more power than others whose services can be easily replaced.



Uncertainty

- Organisations seek to avoid uncertainty as far as possible, People who can absorb uncertainty wield more power,
- Uncertainty depends on the nature of the organisation. In a marketing firm, for instance, sales executives confront uncertainty and naturally wield more power.

Compliance

- Of all the types of power, People generally comply with legitimate power.
- People perceive reward and coercive powers as weak for complying with manager's requests.

Power Indicators

- It is difficult to tell when power is being used. Those who use power usually do not want others to know about it. Indeed, power is most effective when it is not visible.
- People tend to resist the use of power when they see themselves being influenced in a way that is contrary to their own desires.
- Individuals who are using power frequently fail to recognise what they are doing. They honestly feel that they are exerting rational influence that can be justified for legitimate reasons other than their personal wishes. They sincerely think their influence is rational rather than political.

Determinants of Power

- One method of assessing power focuses on the potential to exert influence and consists of measuring how many determinants of power are available to each member.
- These are five bases of personal power. One of the bases of power is expertise. Individuals who possess better knowledge and expertise can exert higher influence in situations where their knowledge is important.

Consequences of Power

- Since power is used to influence decision, those with the greatest power should be the ones who obtain the most favourable outcomes.
- The relationship between power and consequences needs to be interpreted carefully, It is also important to distinguish between the ability to influence a situation and the ability to force at what would have occurred at any event.

Symbols

- The power of different individuals can be assessed by examining how many symbols of power they possess.
- Symbols include such things as titles, office size and location, special parking privileges, special eating facilities, automobiles, airplanes, and office furnishings.
- The location of offices on different floors often reflect the relative power of the office-holders.

Reputation

- One way of assessing power in an organisation is to ask its members to possess greater power or exert the greatest influence . However, potential activities of the most powerful and influential individuals may be understated or overlooked both by themselves and others.

- Another way of assessing power is to determine which individuals and groups are the most heavily represented on committees and other significant administrative positions.

17.8 SUMMARY

The concept of power refers to the capacity to change the behaviour or attitudes of others in a desired manner. In organisation, power derives from structure, i.e., the division of labour and communication system. Sources of power stem from interpersonal and structural factors in an organisation. Interpersonal power sources can be categorised as reward power, coercive power, legitimate power, expert power, and referent power. Structural power differences stem from unequal access to information, resources, decision making, and networks with others. Knowledge is an important source of power in organisations. The dynamics of power can be perceived from different dimensions. People in organisation can acquire power informally because organisations cannot legislate for everything. Executives can use power and authority in many different, concrete and symbolic ways. However, effective and really powerful executives tend to use power in a manner which contributes to organisational development.

17.9 SELF-ASSESSMENT QUESTIONS

1. Distinguish between power, authority and influence.
2. Argue for and against the statement: "The use of power in organisations is unethical."
3. Compare and contrast interpersonal and structural resources of power in organisations.

17.10 FURTHER READINGS

Drummond H., *Introduction to Organizational Behavior*, Oxford University Press Inc., New York, 2002.

Gordon R.J., *A Diagnostic Approach to Organizational Behavior*, Allyn and Bacon, Massachusetts, 1991.