



MONASH
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MGC1010: Introduction to Management

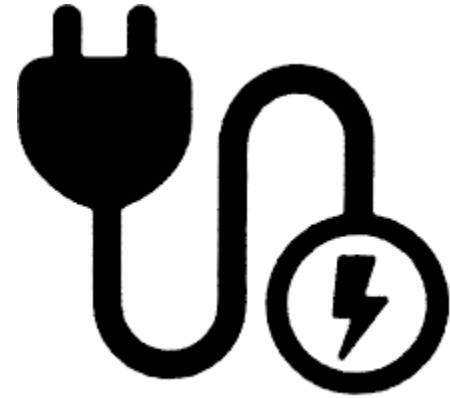
Week 4: Authority and Influence – Power in management

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OVERVIEW OF TODAY'S LECTURE

- Define power and identify the forms and sources of power in organisations
- Understand the different symbols of power and describe how managers use power
- The dark side of power



POLL EVERYWHERE RESULTS

POWER: AN INTRODUCTION

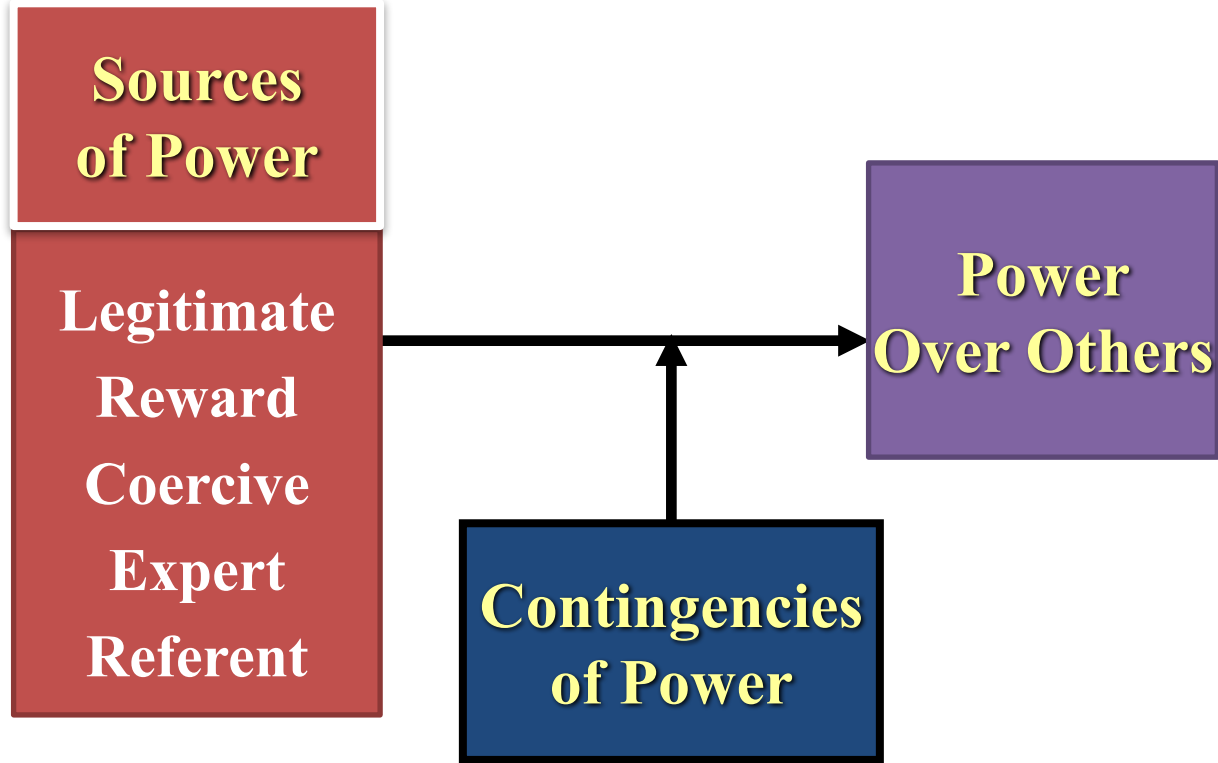
- **Power** is the capacity to influence others who are in a state of dependence.
- Power applies to both individuals and groups and embedded within organisational practices.

**“POWER DOESN'T CORRUPT PEOPLE, PEOPLE
CORRUPT POWER.”**

WILLIAM GADDIS

@Lifehack Quotes

POWER IN ORGANISATIONS



POWER BASE: LEGITIMATE

Legitimate

- Agreement that people in certain roles can request certain behaviours of others
- Based on job descriptions & mutual agreement from those expected to abide by this authority
- Legitimate power range (zone of indifference) is higher in high power distance cultures

POWER BASE: REWARD



- Ability to control the allocation of rewards valued by others and to remove negative sanctions
- Operates upward as well as downward

POWER BASE: COERCIVE



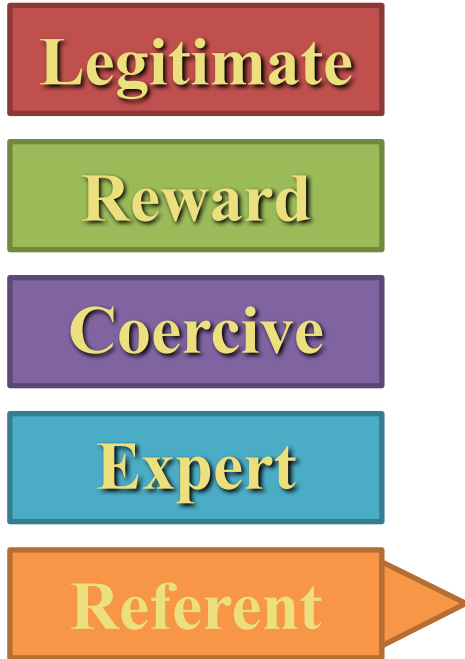
- Ability to apply punishment
- Exists upward as well as downward
- Peer pressure is a form of coercive power

POWER BASE: EXPERT



- Individual's or work unit's capacity to influence others by possessing knowledge or skills that they value
- Employees gaining expert power over companies in knowledge economy

POWER BASE: REFERENT



- Occurs when others identify with, like or otherwise respect the person
- Associated with charismatic leadership

MEASURING BASES OF POWER

Does a person have one or more of the five bases of power over you?

Affirmative responses to the following questions can answer this question:

1. The person can make things difficult for people, and you want to avoid getting him or her angry (**coercive power**)
2. The person is able to give special benefits or rewards to people, and you find it advantageous to trade favours with him or her (**reward power**)
3. The person has the right, considering his or her position and your job responsibilities, to expect you to comply with legitimate requests (**legitimate power**)
4. The person has the experience and knowledge to earn your respect, and you defer to his or her judgment in some matters (**expert power**)
5. You like the person and enjoy doing things for him or her (**referent power**)

WHAT POWER BASE IS THE MOST EFFECTIVE?



- Strongest relationship to performance and satisfaction
- Transfers vital skills, abilities and knowledge within the organisation
- Employees internalise what they observe and learn from managers they consider 'experts'

KANTER'S SYMBOLS OF POWER

- Ability to intercede for someone in trouble
- Ability to get placements for favoured employees
- Exceeding budget limits
- Procuring above-average raises for employees
- Getting items on the agenda at meetings
- Access to early information
- Having top managers seek out their opinion



KANTER'S SYMBOLS OF POWERLESSNESS

Top executives

- budget cuts
- punishing behaviours
- top-down communications

Staff professionals

- resistance to change
- turf protection

Managers

- assign external attribution - blame others or environment

First-line supervisors

- overly close supervision
- inflexible adherence to rules
- do job rather than train

KORDA'S SYMBOLS OF POWER

- Power – there are more people who inconvenience themselves on your behalf than there are people on whose behalf you would inconvenience yourself



Furnishing



Time



Stand-by

SYMBOLS OF POWER: KANTER AND KORDA

- Kanter's symbols
 - Focus on the ability to help others
- Korda's symbols
 - Focus on the status
 - A person's relative standing in a group based on prestige and having other people defer to him/her
- By understanding power through observing organisational actors and learning from their modelled behaviour we can learn the keys to power use in the organisation.

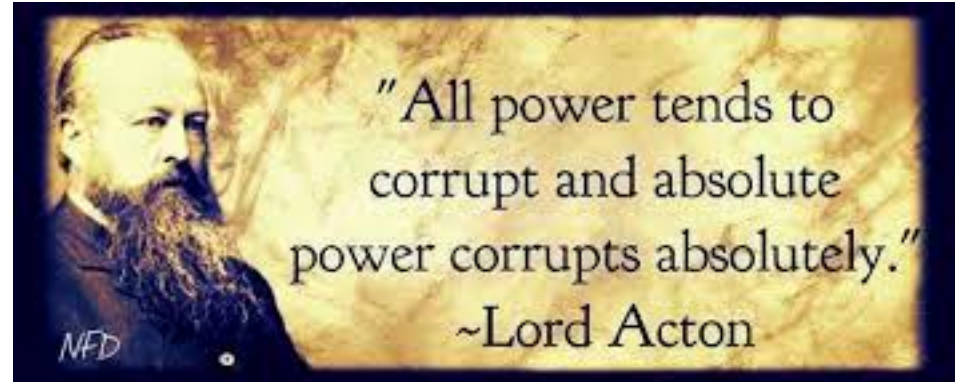


POWER: ZONE OF INDIFFERENCE

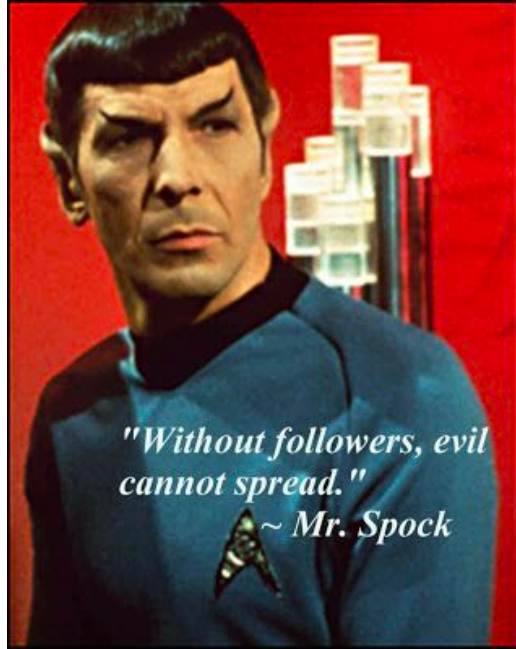


- **Zone of Indifference:** the range in which attempts to influence a person will be perceived as legitimate & will be acted on without a great deal of thought
- Managers strive to expand the zone of indifference

THE DARK SIDE OF POWER



THE DARK SIDE OF POWER



- Power is a powerful narcotic – animating, life-sustaining, and addictive.
- The people who have it have generally worked hard to obtain it, and are not keen to let it go.
- This addiction poses a completely different set of power-related problems for the individual and the organisation.

Kets de Vries, 2003 p.26

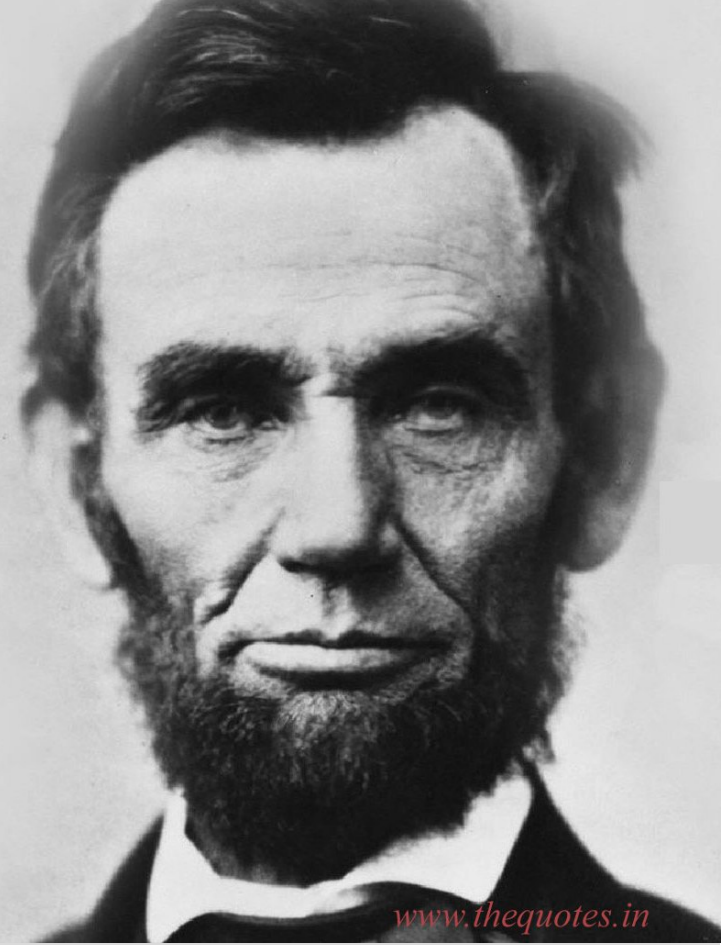
DOES POWER CORRUPT OR ENABLE? AN EXPERIMENT

DeCelles, et al., (2012) Does power corrupt or enable? When and why power facilitates self-interested behavior. Journal of Applied Psychology, 97(3), 681-689

- Research question: When you give good people power, are they more able than others to enact that moral identity, to do what is right?
- Based on a survey and lab experiment, authors found that the psychological experience of power is associated with greater self-interest only in the presence of a weak moral identity
- Power actually **does NOT corrupt!**
- Psychological experience of power enhances moral awareness in those who are moral
- Yet, moral awareness is decreased among those with a weak moral identity
- Moral awareness also affects how they behave in relation to their self-interest

Nearly all men can stand adversity, but if you
want to test a man's character, give him power.

Abraham Lincoln



www.thequotes.in

POWER AND TESTOSTERONE?

Bendahan, S., Zehnder, C., Pralong, F. and Antonakis, J. (2014) Leader corruption depends on power and testosterone, *The Leadership Quarterly*, 26, 101–122.



- Looking at a corrupt leader like Berslusconi, researchers wondered if testosterone is the reason behind his hunger for power, his character, and sexual escapades?
- Used incentivized experimental games to manipulate leader power, number of followers, and discretion that they had to enforce their will
- Findings:
 - First experiment shows that high-power leaders took antisocial decisions at a higher rate than low-power leaders.
 - Second experiment shows that over time, people became likely to make antisocial decisions even if they were not like that in the first place.
 - Individuals with higher levels of testosterone were most corrupt when they had high power!
 - Should leaders be given that much autonomy?

REFLECTION POINT

- What power bases do you have, or do someone have over you?
- Should power be limited?
- How will this impact you as a student, potential employee, or as prospective managers in the future?



SUMMARY

- Define power and identify the forms and sources of power in organisations
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Next week:

