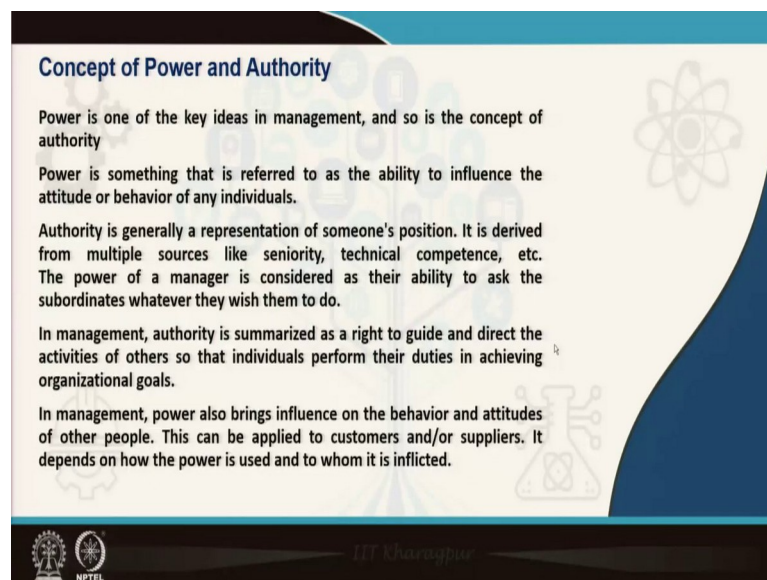


Principles of Management
Prof. S Srinivasan
Vinod Gupta School of Management
Indian Institute of Technology, Kharagpur

Module – 06
Lecture - 29
Different issues relating to authority and power

Welcome to lecture 4 on module 6. In the previous lecture, we discussed about Delegation. Today, we are going to discuss about a power and authority. Now, we learned about delegation, now it is important to understand how the power and authority plays a picture in the organizations. Let us get into the lecture ok.

(Refer Slide Time: 00:40)



Concept of Power and Authority

Power is one of the key ideas in management, and so is the concept of authority

Power is something that is referred to as the ability to influence the attitude or behavior of any individuals.

Authority is generally a representation of someone's position. It is derived from multiple sources like seniority, technical competence, etc. The power of a manager is considered as their ability to ask the subordinates whatever they wish them to do.

In management, authority is summarized as a right to guide and direct the activities of others so that individuals perform their duties in achieving organizational goals.

In management, power also brings influence on the behavior and attitudes of other people. This can be applied to customers and/or suppliers. It depends on how the power is used and to whom it is inflicted.

NPTEL

Now, we will try to understand the concept of power and authority and subsequently, we will also try to understand you know how power is different from the authority. But you see that there is also you know common point, where power and authority also go hand in hand or it is also interchangeably in some places. Let us try to understand the power. So, before we understand a power and authority, these are definitely important concepts in the management.

So, what is power? Power is something that is referred to as an individual's ability to influence the attitude and behavior of any individuals. For example, let us say you know how one has a power? How do you determine one has a power? When we can see that

you know when one individual is able to influence an attitude or behavior and another individual, unless otherwise this individual does not do.

For example, let us say I say that now you do this activity. When I say and then, if they are doing it; then, I have a power on their particular individual. So, that's I why the power is always understood by the ability to influence the attitude or certain behavior of the individuals ok.

Authority; authority is in generally you know representation of someone's positions. Authority always goes with the kind of possessive world. You know it is derived from multiple sources; one may be by seniority.

Let us say in a company you are working for a longer time, you have a certain authority because being very senior position or served a long years in the company, you have certain authority or maybe you know based on the technical competence, let us say in you are highly qualified, you have lot the expectations in your domain of the you know work. Then, you have an authority. So, the power of manager is considered as their ability to ask subordinates whatever they wish them to do right.

So, the power of manager is always seeing that you know the manager has the power, they are able to ask their subordinates do something whatever the manager feels like you know. For example, manager can ask the subordinate ok, go you know do this activity or manager might can even say that you go and you know bring me this and do this activity, you come back and report me this.

So, the manager is having a power to ask the subordinate to whatever they wish them to do right. In management you know authority summarized as a right to guide and direct the activities of others so that you know individual perform their duties in achieving the organization goal.

So, as we said in the previous lecture, we learned about authority as a concept, where it is rocking about you know a certain level of decision making. They can make on then distribution of resources so effectively to you know ensure that you know the individuals performs to achieve the organization goals.

So, generally in management power brings the influence and behaviors and attitudes of their other people. So, you by the power you know always an important concept which is actually making others to behave in a certain way, unless otherwise they do not do right.

Now, let us say you know I ask you to move, you are moving; without I do not have a power on you, if I say move you, you will refute and ask me why should I move. So, if I have all the power, if the person responds and moves; then, meaning that know I have a power ok.

So, this powers you know concept can be applied to customers or suppliers. For example, sometimes you know customer have a lot of power because you know unless otherwise you do not have a customer or a client, you if you cannot serve them; then, you with your existence is of no use right and your existence become irrelevant.

So, in that situations, customer will have a high demanding. You know for example, there is a surplus of you know products, then customer become having a lot of let us say you know there is only a there is a huge demand in the market.

But there are only few people to deliver, then you know what is happening organization become more powerful because you know they will decide the price, they will say how much of the quantity they will deliver. So, these are the power concept play you know based on the you know availability and the dependency also plays a picture in you know creation of the power and authority ok.

(Refer Slide Time: 04:36)

Types of Authority

1. Legal authority: The authority is based upon the rank of the person in the organization and such authority may be given by law or by social norms, rules and regulations protected by law.
2. Traditional authority: This authority is based upon the belief in traditions and the legitimacy of the status of people exercising authority through those traditions.
3. Accepted theory of authority: This type of authority presents a contrast to the traditional formal view of authority. Authority in the ultimate analysis depends on the acceptance or consent of the people who are managed rather than any other norms
4. Charismatic authority: The Charismatic Authority rests on personal charisma of a leader who commands respect of his followers on the basis of his personality and his personal traits such as intelligence and integrity.
5. Competency theory of authority: This is also known as technical authority and is implicit in person's special knowledge or skill.

The slide features a video inset of a man in a checkered shirt on the right side. At the bottom left, there are logos for IIT Kharagpur and NPTEL. The name 'Dr. Khanna' is visible at the bottom center.

Now, try to understand different types of authority. One is legal authority. So, this authority is based upon the rank of a person in an organization, such authority may be given by the law or by the social norms right. These are always you know protected by the rules and regulations by the laws.

So, legal authority. For example, you are talking about a magistrate or we are talking about you know anybody in the bureaucrat positions, it is all legal authority you know. It is been you know provided through the certain rank of a person based on the authorities in first by the law and regulations.

Then, traditional authority; so, this authority is based upon the belief in tradition and legitimacy of the people exercising authority through those traditions. So, you know we always see this kind of you know traditional authority you know in many of the you know social, societal practices we always see right.

In some of the villages or if you go to your you know places, where you see that no traditionally some the people once one section of the people are only you know people come from one particular family might use to provide authority or they make decisions on behalf of the people. So, this kind of a tradition authority.

Then, accepted theory of authority. See accepted theory of authorities something different from the traditional authority. Accepted authority means you know this type of

authority you know actually contracts the you know traditional form of view because you know in this situation, authority in the ultimate analysis depends on the acceptance or the consent of the people.

For example, let us say I say something and you accept to follow, means that is the concept of acceptance. You know if the authority with the method traditional, you know it is traditionally somebody has always you know tried to influence and they try to do things. So, that is a you know tradition; whereas, an accepted it is a consent of the people who are actually you know taking the words or viewers actually taking the directions of the people. So, that becomes an accepted you know norm of authority.

Then, charismatic authority. You know some people are by their you know personal charisma; they know of they become they hold the power. For example, you know you see you know Mahatma Gandhi, there are charismatic leaders right; so, who influence their followers based just based on their personality, traits as the intelligence and integrity that they try to influence people, you know that is a charismatic authority you have.

Then, competence theory; so, competence theory always goes with your you know technical you know competence or your you know potential on the qualifications right, you maybe you know for example, let us you know there is a dispute and then, you know you what will happen? Eventually, we will go approach the people who are learnt in the discipline of law right.

So, then what happened? In that situations, that lawyer become, an advocate become an authority because you know he or she possess the competence to provide you guidance on the legal dispute. Now, in case for example, let us say you know you are you know in shop floor; you had some technical errors and you are there is a you know breakdown of the machinery; what will happen?

You will go to a people who have as adequate knowledge or a sufficient knowledge to you know repay the particular device or the you know missionary. So, they become the authority because it is based on the technical competency right. So, competency theory of authority.

(Refer Slide Time: 07:44)

Characteristics of Authority

There are certain characteristics of authorities which are as follows-

- **Basis of getting things done:** Authority provides the basis of getting things done in the organisation. It refers to the right to affect the behaviour of others in the organisation with a view to performing certain activities to accomplish the defined objective
- **Legitimacy:** The person who is given a position of authority is legitimate and legal. This position is supported by law, tradition, and standards of authenticity. Thus, authority is also considered as formal.
- **Authority is goal oriented approach:** The basic use of authority is to influence the attitude and behavior of the subordinates in terms of doing the right things at the correct time to achieve the goals.

The slide features a blue and white color scheme with a background of faint icons including gears, a lightbulb, and a network diagram. A small video inset in the bottom right corner shows a man in a checkered shirt. At the bottom left, there are logos for IIT Kharagpur and NPTEL.

Now, the other you know there are certain characters of authorities. Now, let us try to understand those characters. So, basis of getting things done that is one character. You know authority provides the basis of getting things done in the organization. It is very simple ok; I want something to be done.

So, authority tells me you know authority provides you know you always want that whatever you thought that to be done, it will be done right. Through you know it refers to the right to affect the behavior of others in the organizations, with the view to performing certain activities to accomplish the defined objective. Then, legitimacy, the person who is in a given position of authority is legitimate and legal.

So, for example, we are talking about administrative positions right, you know district collector, they have they have a legitimate position to you know respond to or having the legitimate authority to exercise certain you know activities on you know certain rights on the people, you know administrations, you know district level administrators comes with them.

Because they are legitimate by position, they are by law they are conferred with the positions, they are legitimate, they are having a legitimate authority to exercise on people.

So, then authorities' goal-oriented approach. So, the basic use of authority is to influence the attitude and behavior of subordinates in terms of doing the right things at a correct time at a achieve the goal. So, goal-oriented approach, you know see you the authority is existing because you are actually wanted to achieve something in your organization.

So, you try to use the authority to ensure that you know people do certain activity to achieve my goal. Let us say you know I wanted to make. So, many sales in this particular month, I use my authority to give you know targets to each individual employee or each team members so that they are able to go make the sales right. So, that is a goal-oriented approach.

(Refer Slide Time: 09:24)

Characteristics of Authority

- **Subjectivity in implementation:** organizational goals are achieved by the subordinates. The person who has authority influence the behavior of individuals who otherwise might not do the thing.
- **The position and person:** Person who has a position of authority does not enjoy it unlimitedly. There are limits and extents to which the position of authority can be attained. It is predefined. The person with the authority is expected to use it within the rules, policies, and regulations.
- **Decision making:** Authority also gives the person a right to make a decision. Furthermore, a manager can only decide his orders about what his subordinate should or should not do. Thus, authority is exercised using the decision and looking when they are carried out.

The slide features a blue and white color scheme with decorative icons in the background. A small video inset in the bottom right corner shows a man in a checkered shirt speaking. The NPTEL logo is visible in the bottom left corner.

Now, subjectivity in implementation, you know organizations goals are achieved by the subordinates. The person who has authority actually try to influence the individuals who otherwise might not do things. So, because you know because I have an authority, I am trying to influence my subordinates to do that.

Otherwise you know in unless otherwise I do not ask them to do, they will not do. So, this is by you know subject you know where, I use my authority to influence the kind of work behavior they have to do right.

The position and person; so, person who has a position of authority does not enjoy it, unlimitedly that is there is also you know there is a boundary to the kind of a power or

authority they have. There are limits an extent to which the position of authority can be attained. You know the person with authority is expected to use within the rules and policies and regulation. There is actually as I said that there is a boundary drawn. So, you know going beyond, you cannot use your authority.

Decision making; so, the most important aspect of that authorities you know it always you know gives the person right to make a decision. So, authority one of the important characteristics of the authorities that you know you are actually in you know wasting a power of you know decision making capacity on anybody who takes up the authority ok.

So, manager can only decide his orders to what is the subordinate should do or should not do. So, being a manager, you are having an authority to direct your you know subordinates or your team members to do what they are supposed to do or you can also say you know you, you should do only this and you should not do this. So, it is by you know by authority, you are acting a decision-making capacity to influence the kind of a behavior, they can do right.

(Refer Slide Time: 11:02)

Authority and Responsibility

Authority	Responsibility
It is the legal right of a person or a superior to command his subordinates.	It is the obligation of subordinate to perform the work assigned to him.
Authority is attached to the position of a superior in concern.	Responsibility arises out of superior-subordinate relationship in which subordinate agrees to carry out duty given to him.
Authority can be delegated by a superior to a subordinate	Responsibility cannot be shifted and is absolute
It flows from top to bottom.	It flows from bottom to top.

Now, let us try to understand between an authority and responsibility. Now, what is authority and what is responsibility? So, authority you know it is a legal right of a person or a superior to command his subordinates. By position, they are occupied you know creating this they are having this authority.

So, they will be able to command their subordinates; whereas, the responsibility it is the obligation of a subordinate to perform the work assigned to him. Because the responsibility you know, it is become an obligation for the subordinates to you know whatever the tasks as I know assigned to them, they have to perform that is a responsibility. So, authorities attached to the position of a superior in a concern.

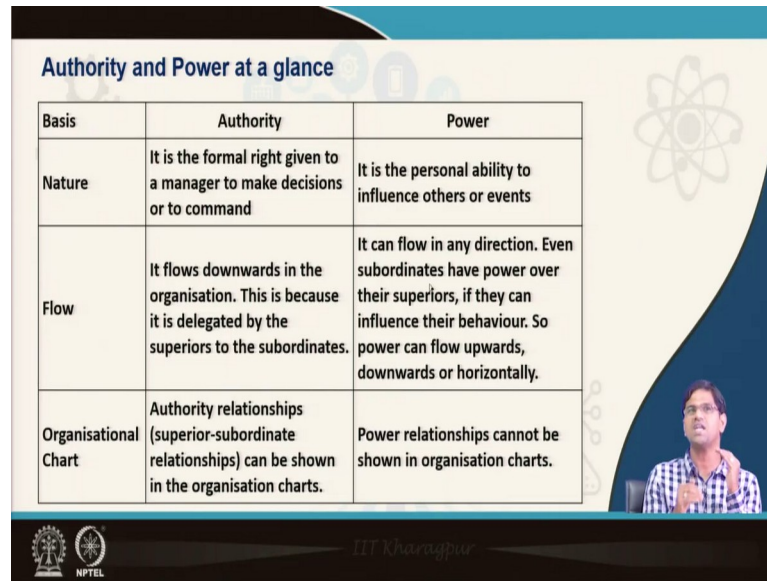
As I said authority is always in alignment with the kind of a position you know been hold held by a particular person in the organizations ok; whereas, in a responsibility arises out of you know superior subordinate relationship in which you know subordinate agrees to carry out duties given to him right.

So, you know most often what happens in a delegation, we have discussed about now superior delegates the responsibility to a subordinate. Then, subordinate eventually will agree yes, I will do this activity. So, that is the responsibility arise out of the you know delegation of the responsibility.

Then, authority can be delegated by superior to subordinate. Yes of course, as we said in the delegation, authority can also be you know transferred to subordinate; but again, it is limited to a you know power vested on the manager or at least you know manager willingness to transfer the authority to their subordinates.

Responsibility cannot be shifted and it is absolute assistant manager cannot you know just move their responsibility to the subordinates and authority of course, it flows from the top to bottom and the responsibility flows from the bottom to top.

(Refer Slide Time: 12:36)



Basis	Authority	Power
Nature	It is the formal right given to a manager to make decisions or to command	It is the personal ability to influence others or events
Flow	It flows downwards in the organisation. This is because it is delegated by the superiors to the subordinates.	It can flow in any direction. Even subordinates have power over their superiors, if they can influence their behaviour. So power can flow upwards, downwards or horizontally.
Organisational Chart	Authority relationships (superior-subordinate relationships) can be shown in the organisation charts.	Power relationships cannot be shown in organisation charts.

Now, let us try to you know understand you know authority and power as two concepts right. So, we will go with the different parameters one by nature. By nature, authority it is the formal right given to a manager to make decision or to comment. It is very simple it is formally designated position through which you will be able to make a decision or a command your subordinates.

The power whereas, it is a personal ability. You know you are having a personal ability to influence others or events. See power for example, you need not to be a manager, but you can exercise power. How? Maybe because of your you know you are you are there in you know so many years in the company or let us say you know expert, people always go to you or come to you for opinions, then that way also you will exercise power or now, people are dependent on you, dependency will also create power right.

So, there is a scarcity also will create power. So, it is a personal ability. It is not by position right. Flow; so, authority always flows downwards in the organization, it starts and it moves down right. This is because it is delegated from the superior to subordinates; whereas, in terms of a power, it can flow in any direction.

You know as I said, you know because you know power comes with the personal ability means individuals you know capacity or the you know capability and the competency which creates the power. So, it can flow in any direction, it can be you know go

parallelly and even sometimes you know subordinates can have power over their superiors.

For example, you know in some of the teams, you see that you know managers will go to some of their team members for opinions because they see that you know that particular team member is really expert in particular set of activities, though they the manager will go for opinions to the so team member because this particular team member has an expertise ok.

So, that there is a power right. So, this you know flow it can happen any direction. It is not necessarily top to bottom; it can also you know go to bottom to top or it can be parallelly happen you know horizontally or vertically in any directions power can happen you know because it is a personal ability. Organizational chart; authority relationship you know superior subordinate relationship can be shown in the organization chart.

In an organization chart, we have seen in this organization structure, let us say you know CEO, the CEO reports to CEO and you know similarly the you know your regional heads will be reporting to this person. So, there is a you know organization chart will decide you know tell you the you know flow of authority ok.

Then, power relationship cannot be shown in the organizations chart because it is very difficult to see the power relationship because this is a personal point right, based on their dependency, based on your expertise, your ability to influence people; so that cannot be seen by the chart right. It is only by the practice or you can see by the dependency, you will be able to understand; but not by the chart.

(Refer Slide Time: 15:19)

Basis	Authority	Power
Level of management	Higher the level of management, higher will be the authority and vice-versa	Power can exist at any level of management. It does not depend on level
Legitimacy	Authority is always official in nature. So it is legitimate.	Power need not be official in nature. So, it need not be legitimate.
Position and person	Authority is given to a position or post. The manager gets the authority only when he holds that position	Power resides (lives) in the person who uses it.

Now, level of management. Now, authority higher the level of management, higher will be your authority. Yes of course, it is very obvious. When you are growing up in the you know positions, you will have more authority compared to the people of the lower level, yes; whereas, in the power can exist at any level.

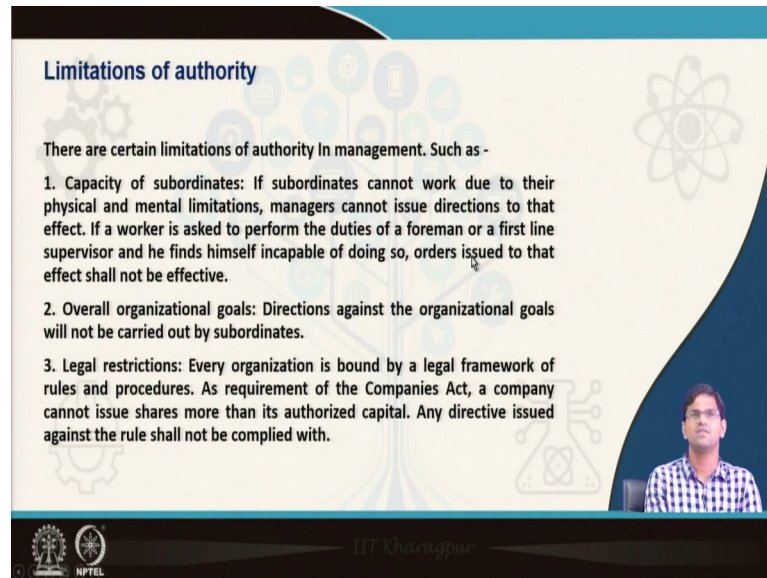
As I said you know power can exist at any level, you know it can be in your lower level also people can have power for example, you know you see that you know in a companies, where factories you see that you know workers will have you know lot of demanding power with respect to the management right. It is because they can go on a strike, it will impact their business in a huge way. So, power can exist in any level. It not necessarily you need to be at the top to have the power right.

Legitimacy; authority is always officially nature. So, it is very legitimate, authorities come with the defined by positions in the organization, now it is very legitimate. Power need not be official in nature because you know here at, I said you know it is based on the dependency or based on the expertise, you know scarcity, the dependent you know power is existing. So, you know then, it can be in a different form.

So, position and person; authority is given to a position or a post. So, based on the position of the designations, you there is an authority. So, manager gives the authority only when he had held that particular position right; unless otherwise there is no authority assigned, you know it is it comes with the position.

Authority comes with the position, comes with the post; whereas, the power resides in a person, who uses it. So, you know when I have a capacity to influence people. So, it is you know person when you use it, you know that you have a power.

(Refer Slide Time: 16:50)



Limitations of authority

There are certain limitations of authority in management. Such as -

1. **Capacity of subordinates:** If subordinates cannot work due to their physical and mental limitations, managers cannot issue directions to that effect. If a worker is asked to perform the duties of a foreman or a first line supervisor and he finds himself incapable of doing so, orders issued to that effect shall not be effective.
2. **Overall organizational goals:** Directions against the organizational goals will not be carried out by subordinates.
3. **Legal restrictions:** Every organization is bound by a legal framework of rules and procedures. As requirement of the Companies Act, a company cannot issue shares more than its authorized capital. Any directive issued against the rule shall not be complied with.

The slide features a light blue background with faint icons of gears, a person, and a network. A small video inset in the bottom right corner shows a man in a checkered shirt speaking. The bottom of the slide contains the IIT Kharagpur and NPTEL logos.

Then, what are the limitations of authority? You know there are definitely certain limitations with respect to authority. Capacity of subordinates, you will be wondering you know how the capacity of subordinates will have you know limitation of authority.

See for example, if a subordinate cannot work due to their you know physical or mental limitations, imagine that you know one person is not highly qualified not really competent and you know you cannot exercise authority on the person. Because you cannot demand certain works to be done because you know that this person do not have the competency to perform that particular task. So, knowing that if you are saying something, what is going to happen? Absolutely that person cannot perform.

So, your authority as limitations because you it is limited because you know you cannot exercise your authority on a person, who is not competent enough to do that activity right. It is a very simple. So, if the person is incapable, so it is very you know even if you are saying something you know he or she cannot do.

So, that is why you know capacity of subordinates also important with respect to authority you can use. And overall organization goals; so, direction against the

organization goal will not be carried out by the subordinates though you are having an authority by position; but if you say something which is not aligning with an organization or not for the organizations benefit, then subordinate will refuse to do it because you know this not belongs to the organization.

For example, as a manager, if you ask your subordinate to do something to their personal capacity or for their personal benefits, you know of course, you know the individual can refuse because you know it is not trying or organizational activity and it is not going to benefit the company in any way right. So, I know this becomes you know limited with the organization goals.

Then, legal restrictions; every organization is bound by legal framework of rules and regulations. So, as the requirement of the you know Companies Act in India, company cannot issue shares more than there is authorized capital. So, though you are a CEO of the company or you may be a board of directors, so you cannot go beyond you know law right.

So, law has certain provisions. For example, you know even the payment of wages, you know law says you know that there is a minimum wages to be paid, you because you know you are looking at a company is doing really bad, by economically you cannot low down the salary because there is a law which says you cannot pay anything less than this particular amount. It is defined and it is been fixed by the law. So, you cannot go against it right.

(Refer Slide Time: 19:11)

The slide is titled "Limitations of authority" and contains two numbered points. Point 4 discusses social factors, and point 5 discusses personal limitations. A small video feed of a presenter is visible in the bottom right corner of the slide area. The slide also features decorative icons like gears and a tree, and logos for IIT Kharagpur and NPTEL at the bottom.

Limitations of authority

4. Social factors: People collectively work in the organisation and form groups on the basis of their social values and cultures. Orders issued against these values have limited acceptance.

5. Personal limitations: Not only should managers take care of physical limitations of their subordinates while exercising authority, they should also keep in mind their own limitations in carrying out certain activities. Something that a manager cannot do himself, he should not expect from his subordinates also.

So, that is why the limitation and then, social factors. Of course, you know people collectively work in the organization and forms the group on the basis of their social values and cultures. Orders actually going against these values have limited acceptance.

You know for example, you know as a company, they have some norms and policies there is a value system is created in a company. Any decision which is actually going against the value system, people will not accept those and they will refute or they do not follow or obey your words.

Then, personal limitations. Not only should managers take care of the physical limitation of their subordinates; now while accessing, they should also keep in mind their own limitation, you know manager is it is not all the time you know manager is you know completely you know competent right.

So, manager might will also have certain limitations. So, on certain you know front you know manager may not be that competent in performing certain tasks, so the personal limitation of a manager might also limit their authority to use right.

(Refer Slide Time: 20:06)

Types of Power

We find that generally power is of five types. They are-

- **Legitimate power:** It normally arises from position and derives from our cultural system of rights obligations, and duties whereby a "position" is accepted by people as being legitimate
- **Coercive power:** This is derived from a person's ability to create fear in another individual and is based on the subordinate's expectation that punishment will be received for not agreeing or complying with the superior's commands or beliefs.
- **Reward power:** Reward power is the opposite of coercive power. It arises from the ability of some people to grant rewards. Purchasing agents, with little position power, might be able to exercise considerable influence by their ability to expedite or delay a much-needed spare part.

IIT Kharagpur
NPTEL

Then, now having understood the you know concept of you know authority and the limitations, let us try to understand the power. Because we already you know found the difference between the authority and power, now we will try to understand what are the different types of power existing.

Because as I said power is you know the personal ability, you know based on the person ability or having a power means you know power its nothing but you are able to influence the behavior of the other individuals. So, that is the power you see. So, now let us try to understand the different types. One is a legitimate power. It normally arises from a position and derives from our cultural system of you know rights and obligations and duties. So, by the positions, you get a legitimate power right.

For example, as I said you know it is very similar to authority by the manager, by position your legitimate or let us say you know you are talking about you know district collector or the police personnel about a legitimate power right. Now, if we are talking about the judges the legal system, so there is a position legitimate power right.

Then, coercive power; so, this is derived from a person's ability to create fear in another individual right. So, for example, you know let this is very you know classic example in a school or in a college, where you see the relations between the tutor and the student right.

So, for example, I know teacher can say that you know the person who is coming very late regular to the class, I am going to give negative ten marks on your final grade. So, this is actually you know teacher is using a coercive power that know they are actually coercively using their power to ensure that you know students come on time.

So, they do not come regularly late. So, that is a coercive power. You know based on my position kind of relationship have, I am able to exercise coercive power on you right. So, that is the kind of a coercive power.

Then, reward power; now, we always seen in the companies right you know company used to give a lot of incentives right. So, it is just opposite of coercive power. Let us take the coercive power in terms of you know company is that you know let us say you know you are not meeting your targets, let us say you know you are you will be de promoted, let us say you know there is no incentive for me that is a coercive power; whereas in the reward is absolutely opposite whether you provide incentive.

Let us you know you achieve this target; I am going to give you 20 percent of whatever the sale you make. So, I am actually rewarding people. So, by rewarding, I am making you to do something right means you know I am actually making you to sale more products because you know sell more products so that you know you are going to get some you know monetary benefits.

So, actually I am giving you incentive that is a reward power. Actually, by through providing reward, I am exercising power on you how I make able to make you do something you know for me. But by achieving that I am going to give you an incentive, that is a reward power.

(Refer Slide Time: 22:41)

Types of Power

- Expert power: This is the power of knowledge, skill and expertise in certain areas. Since the superiors possess these knowledge the subordinates desires to fulfill the wishes and their directions.
- Referent Power: Referent power is based on the identification of an individual faith a leader who is held in high esteem, admired and often imitated by the subordinate.

Where there is power, there are also consequences that go along with it. The application of power varies from individual to individual and situation to situation. There are three specific examples of this. They are commitment, compliance, and resistance through which the consequences are likely to happen.

Dr. Khuram

NPTEL

Then, expert power; this is a power of knowledge because you know having you know highest knowledge or you are really qualified person, you have the knowledge skills and expertise in a certain area, you have you become a ref an expert power.

You know people will come back to you and you will get your opinion, then you can exercise power on the people because you know being an expert, you can exercise power on the other people. Because you know you are an expert, you know all the particular subset area. Then, referent power; referent power is based on the identification of individual faith a leader who is held in a high esteem admit.

Now, so for example, you know I can give a classic example being you know a form of president you know APJ Abdul Kalam, you know he do you know people of course, you know you and me have not seen him physically are not related to him in any way.

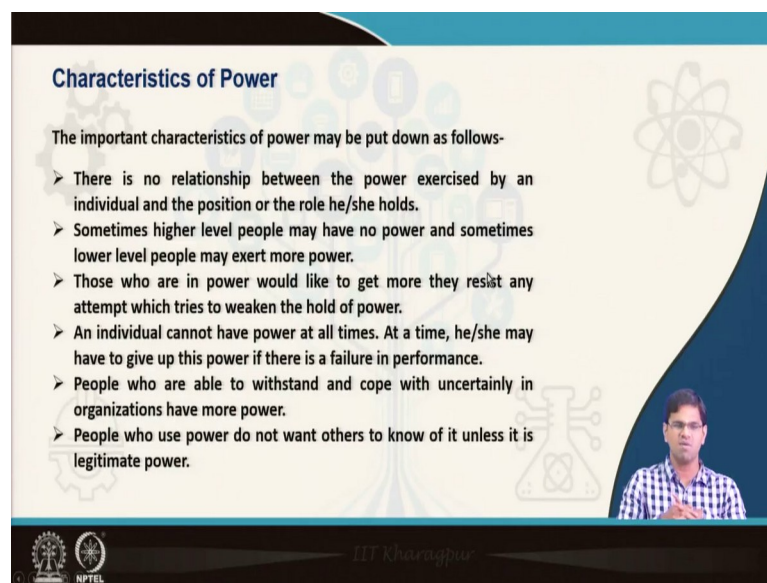
But you know he had a referent power, you know he was able to influence so many children or so many you know youth to you know doing certain activity, you know they you know he has always as a referent power, you know because you know people started to refer to him and then, whatever though we are not personally connected to each other or not seen him or not worked with him.

But despite the fact his policies or the value system being followed by people that is kind of a referent power we talked about ok. But there is a power, there are also consequences

that go along with it right. The application of power varies from individual to individual and situation to situations.

Yes, I know it is always you know you know contingency based; you know based on the individual, based on the situations, power will make and there are three specific examples and there is commitment, compliance and resistant through which the consequences are likely to happen. See the consequences of power happens based on these three things; you know commitment, complaints and resistance, we will see.

(Refer Slide Time: 24:23)



Characteristics of Power

The important characteristics of power may be put down as follows-

- There is no relationship between the power exercised by an individual and the position or the role he/she holds.
- Sometimes higher level people may have no power and sometimes lower level people may exert more power.
- Those who are in power would like to get more they resist any attempt which tries to weaken the hold of power.
- An individual cannot have power at all times. At a time, he/she may have to give up this power if there is a failure in performance.
- People who are able to withstand and cope with uncertainty in organizations have more power.
- People who use power do not want others to know of it unless it is legitimate power.

NPTEL
Dr. Khanna

We will see the some of the characters of the power and there is no relationship between the power accesses by an individual and the position or the role he or she holds ok. Then, sometimes higher-level people may have no power and sometimes even a lower level people have more power right.

In a classic example, being in a company where you say you know people who are part of the union, where the lower level employees; but they will have more power than the you know supervisors right. Supervisors though they are by positionally they are higher than higher rank than the employees, it means worker; but you know worker might have a more power compared to the you know supervisor.

So, that can also happen you know it is not necessarily that you know only people at the higher level will have power. It is it can also be vice versa can happen. Those who are in

power would like to get more they and they are able to resist attempt which tries to weaken the hold of power and individual cannot have power all times. At times you know he or she may have to give up with this power, if there is a failure in the performance.

It is not all the time you know individually try continues to enjoy the power because you know when they are failed to perform, they have to give up their power. It happens happened in most of the organization, you know when you are not able to you know keep up to your work or you are not able to perform consistently well, then what will happen?

You know you have to give up your power, you cannot use your power until you are able to prove that you know again you are able you know capable enough to meet that needs of the organizations. And people who are able to withstand and cope with the uncertainty in the organization have more power right.

In an organization, who are able to be very creative were able to address the challenges and uncertainties; then, they will have more power. The people always refer to them, you know people try to obey their words on the directions because you know he or she being very successful in the challenging times and people who use power do not want others to know of it, unless it is legitimate power right.

So, people who use power on others, you know try to influence you to do or you they will make you to do something, they always do not want you to realize that you know they are actually exercising power on you, unless otherwise that is the positional power right. By manager, it is very you know explicitly known that you are a manager, you are trying to do.

For otherwise you know you see that know there are you know team leaders or somebody who will make you do something, but they never want you to realize that you know you are actually doing by their directions. You know they always wanted to be kept it in the you know implicit way, they never wanted to be explicitly shown that you know they are actually exercising power on you ok.

Say for example, I can give a classic example. Let us say you know you are you and your colleague wanted to go to an office you know you that day, it is raining; it is raining. So,

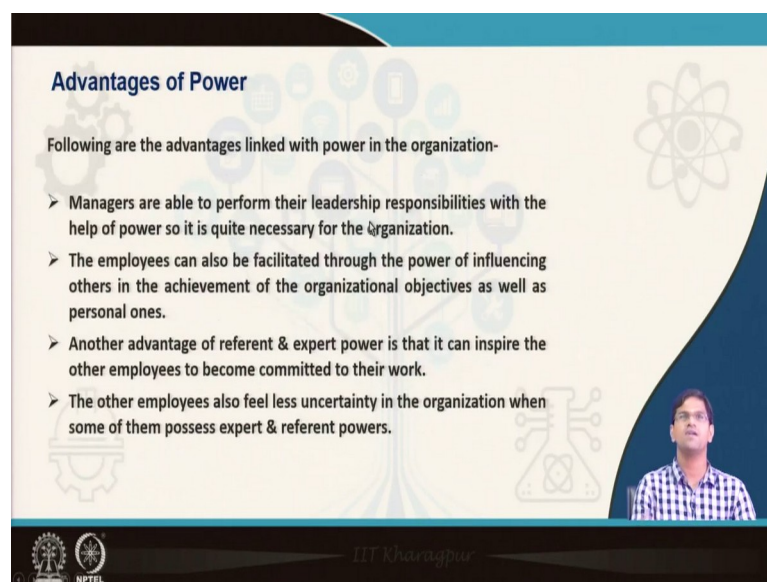
let us say you know you have to reach your office at 9 o'clock and you are ready by 8 o'clock.

But you said that you know it is you know rains, it looks like rain not going to stop; then, you are actually calling your friend, who is actually having a car four-wheeler. So, you call your friend and then, your friend says yes, I can pick you up. But you know I can only pick you up at 8.30.

Now, in this situation being a friend, he actually he is exercising power on you because you know how because you are dependent on him that you know you cannot go by your two-wheeler, you need to go by your four-wheeler; but you need to go to your office. So, now, this friend is actually exercising power on you that he is he or she is making you wait for 30 minutes to go to your office.

So, this is the way that you know power been exercised. But you do not know unless you know they are actually showing it you know; see I have made you to wait. So, right, but there is a you know you are able to see that there is an exercise of power on you right.

(Refer Slide Time: 28:02)



Advantages of Power

Following are the advantages linked with power in the organization-

- Managers are able to perform their leadership responsibilities with the help of power so it is quite necessary for the organization.
- The employees can also be facilitated through the power of influencing others in the achievement of the organizational objectives as well as personal ones.
- Another advantage of referent & expert power is that it can inspire the other employees to become committed to their work.
- The other employees also feel less uncertainty in the organization when some of them possess expert & referent powers.

The slide features a light blue background with faint icons of a gear, a lightbulb, and a person. A small video inset in the bottom right corner shows a man in a checkered shirt. The bottom of the slide has a dark blue footer with the IIT Kharagpur logo and the text 'IIT Kharagpur' and 'NPTEL'.

Now, let us try to understand the advantages. So, some of the advantage you know managers are able to perform their leadership responsibilities with the help of power. So, that it is quite necessary for the organization and of course, it is very important. You know you need to make your subordinate work through the power you know principles

that you know you are able to make them do something, you know unless otherwise if they do not do it, it is very difficult for an organization to be successful.

You know you know employees also be you know facilitated through power of you know influencing others in the achievement of the organizational objectives as well as the personal ones.

So, another advantage is being your referent and expert power, you know is that it can inspire other employees to become committed to the work right. So, being your referent power or the expert power, you get inspired by looking at the way your leaders work. The other employee; another advantage you know other employees also feel less uncertainty in the organization when some of them possesses expert and referent powers.

Well, you know they feel like you know they feel confident because you know somebody has an referent power, somebody has an expert power because you know they are having a enough competency, they have a lot of knowledge about the particular situations, they feel they will not much worried about the uncertainty because you know they feel like you know there is an expert who can actually able to make a better prediction and estimate the future.

(Refer Slide Time: 29:14)

Advantages of Power

- The bureaucratic obstacles are reduced through the use of power by employees in the organization.
- The creativity of the employees is enhanced with the support of power in the organization.
- The individuals can misuse the power in the organization that would affect the overall performance of the organization, and is considered as the main disadvantage of power.

NPTEL
IIT Kharagpur

The slide features a light blue background with various icons related to technology and business, such as gears, a smartphone, a lightbulb, and a network diagram. A small video feed of a man in a checkered shirt is visible in the bottom right corner. The NPTEL logo and 'IIT Kharagpur' text are at the bottom.

So, these are the some of the advantages and then, other advantage you know bureaucratic obstacles are reduced through the use of power by employees in the organization.

So, when they are able to use the power, you can actually you know reduce the bureaucratic obstacles and creativity of the employee is enhanced with the support of power in the organization, when you are able to support your employees, they will come up with the new ideas, new way of doing things and sometimes, you know individual can misuse the power in the organization and that would affect the overall performance of the organizations.

(Refer Slide Time: 29:44)

Disadvantages of Power

There are some disadvantages of power in the organization like-

- The decision making in the organization becomes poor for over exercise of power.
- The coercive behavior is promoted in the organization.
- The employees of the organization have a low opinion about the processes & the working environment of the organization.
- The distance between management & employees is enhanced that badly affects the performance of the organization.
- The managers are free to promote illegal or unethical actions in the organization for the power of authority delegated to him/her.

IT Kharagpur
NPTEL

And you know this is definitely a disadvantage of the power. So, other disadvantages of the powers are you know decision making in the organization becomes poor for over excess of the power.

Let us say you know somebody who you know continue to exercise too much of power, then you know decision making in becomes very difficult right and coercive power is promoted in the organization. Most often, what happens you know, people started to you know intimidate people through their power right.

So, they will say though see you do this better, you do this otherwise you lose your job. So, this kind of a coercive power is promoter in the organization. It is actually setting a negative precedent on the people that you know power is actually negative.

So, not really; so, you know power as we said you know it can be a reward power, people can be positively reinforced. Not all the time, they negatively reinforced to do certain activity. So, most often what happens in the context in the organizations, we always see that you know coercive behavior is promoted in the organization.

So, employees of the organization have low opinion about the process and the working environment of the organization because the manager exists too much of power. So, people will participate in a low value that they do not given option, you know a choice to participate right.

And then, distance between the management and the gap between the manager and the employees is widening because of the power because you know people will afraid of talking to them, you know they do not collectively participate because the power distance is really high, you know manager has been treated really powerful that can also impact the company.

So, our managers are free to promote illegal or unethical actions because of the power, we always seen that you know many organizations people in power make lot of unethical actions. You know they indulge in unethical practices because they have the power right. They hold the power to do and make decisions because that is actually because of those unethical practices which is actually impacting the organization in a larger way.

(Refer Slide Time: 31:29)



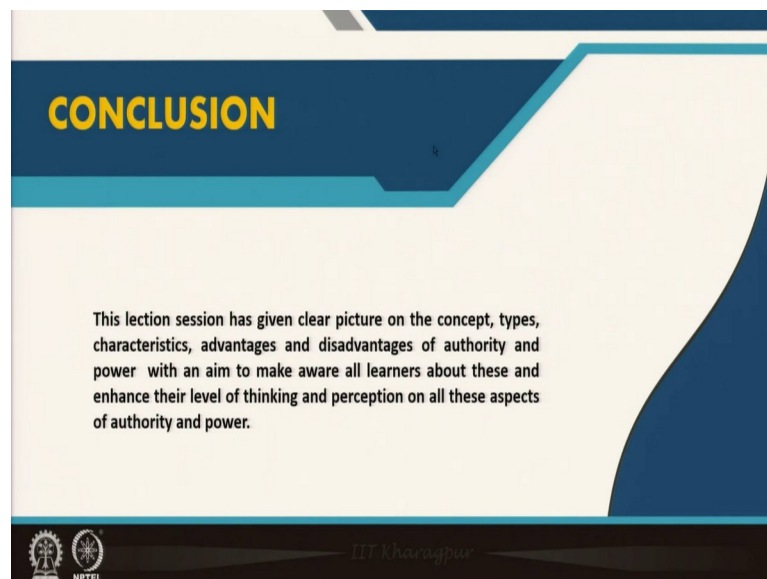
REFERENCES

- Bhattacharyya, D.K. (2012). Principle of Management, Text and Cases, Pearson, New Delhi
- Charles, W.L. Hill and Steven, L. McShane. (2008). Principles of Management, Published by McGraw-Hill/Irwin
- Stoner AF. Principle of Management, Pearson, New Delhi.
- Ellen A. Benowitz. Clifford Quick Review Principle of Management, Hungry Minds, New York, NY 1002
- <https://kalyan-city.blogspot.com/2011/08/difference-between-authority-and-power>
- www.businessmanagementideas.com/manager/authority-meaning-characteristics-and-types/

NPTEL IIT Kharagpur

(Refer Slide Time: 31:32)

So, these are the disadvantages of the power.



CONCLUSION

This lecture session has given clear picture on the concept, types, characteristics, advantages and disadvantages of authority and power with an aim to make aware all learners about these and enhance their level of thinking and perception on all these aspects of authority and power.

NPTEL IIT Kharagpur

Today, we discussed about you know the concept of authority, power and we also you know distinguished the difference between authority and power. We discussed about you know different types of power; how power been used in the company and what are the advantages and when you are talking about disadvantages, meaning that you know these are the things we should not use your power in the organizations.

So, in our you know course, we are discussing many concepts, we are learning lot of disadvantages; meaning that you know how you should not use those concepts in a negative way, that is why we are also trying to learn about the disadvantages ok.

Thank you.