Organizational Design Change and Transformation Prof. Sangeeta Sahney Vinod Gupta School of Management Indian Institute of Technology, Kharagpur

Module - 06 Lecture - 28 Managing Conflict, Power, and Politics

[FL], we will be continuing with our discussion on conflict power and politics in our course, Organization, Design, Change and Transformation. This is module 6, lecture 3.

(Refer Slide Time: 00:35)

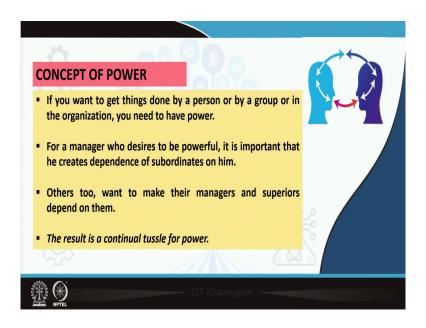


In the previous lecture, we spoken about conflict, conflict management and negotiation. Today, and the subsequent two lectures this week, we shall be speaking about power and politics.

(Refer Slide Time: 00:48)



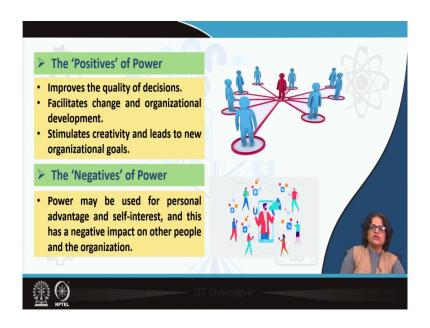
(Refer Slide Time: 00:57)



In today's lecture, we will be speaking about the concept of power, the definition of power, we will contrast leadership and power and we will also be discussing the basis of power. Now, if a if you want to get things done by anybody, if you want to get things done by an individual or by a group or if you want to get things done in an organization, you need to have power and for a person who desires to be powerful, it is important that he creates some kind of a dependence on him.

So, for a manager who desires to be powerful, it is important that he creates dependence of the subordinates on him. Others to want to make their managers and superiors dependent on them. So, this is a continuous tussle. The manager wants his subordinates to be dependent on him. The subordinates want the managers to be dependent on him. So, this is a continuous tussle which happens for power.

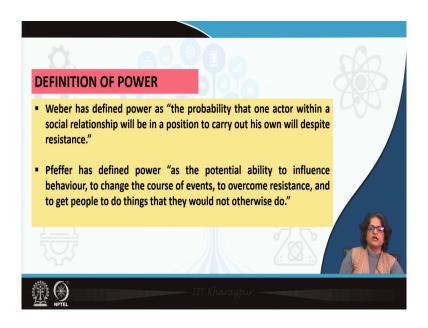
(Refer Slide Time: 01:42)



Now, there are certain positives of power and there are certain negatives of power. When we talk of power, the positives of power, we talk of that power helps improve the quality of decisions, it facilitates change in organization, it leads to organizational development, it stimulates creativity, it leads to new organizational goals. But power also has certain negatives.

Power may be for used for self-interest, it may be used for one's personal advantage and this can have a negative impact on the person and on the organization.

(Refer Slide Time: 02:13)

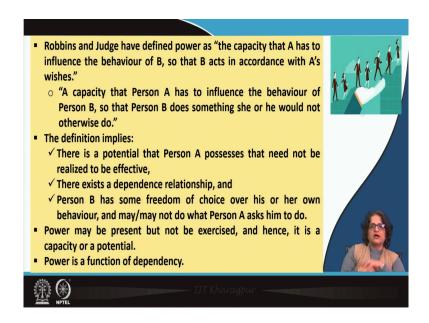


Now, what is power? So, Weber has defined power as the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance. Pfeffer has defined it "as the potential ability to influence behaviour, to change the course of events, to overcome resistance, and to get to get people to do things that they would not do otherwise".

So, if you look at it and if we elaborate a little more on this, we see that you know what can be concluded from these definitions is that you know there is somebody who has power and he is able to make the other people do certain things which other people would not have otherwise done.

So, there is this potential ability to influence other people's behaviour and there is there is also you know resistance which could develop or which could you know creep in.

(Refer Slide Time: 03:11)



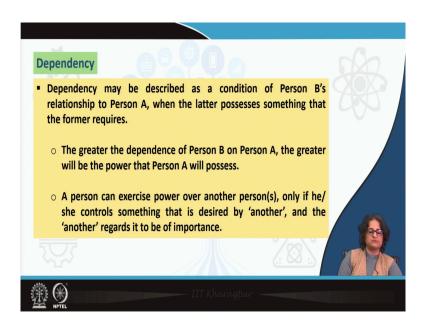
So, moving beyond, you know we see that Robbins and Judge have defined power as the capacity that A has to influence the behaviour of B. So, that B acts in accordance with A's wishes. I repeat the capacity that A has to influence the behaviour of B. So, that B acts in accordance with A's wishes. So, if we define power, we say a capacity that person A has to influence the behaviour of person B. So, that B person B does something which he or she would not have done otherwise.

So, what does this definition imply? The first thing that it implies is that it that there is a potential, a potential that person A possesses that need not be realized to be effective ok. So, there is a potential. Second is that there exists a dependency relationship. Person B would be doing something which A asks him to do only because B is dependent on A for something.

So, there exists a dependence relationship and the third thing which we can conclude is, that person B has some freedom of choice over his or her behaviour. He may or may not do what he is being asked to do by person A. So, what it implies is that there is a potential ok that person A possesses, there is a dependence relationship between B and A and the person B has some freedom of choice over his or her behaviour.

So, power may be present, but may not be exercised and hence it is a capacity or it is a potential and power is a function of dependency.

(Refer Slide Time: 04:37)



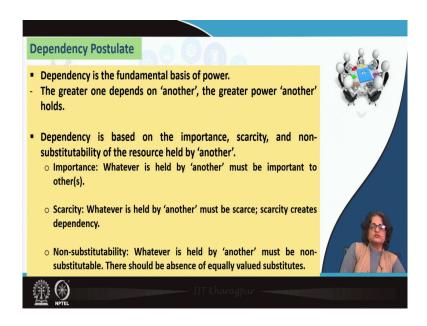
Now, when we talk of dependency, dependency may be is described as a condition of B's relationship to A because A possesses something which B wants ok. So, dependence may be

described as a condition of person B's relationship to A because A possesses something which B wants, A if the latter which is A possesses something which the former which is B wants.

So, the greater the dependence of person B on person A, the greater will be the power that A will possess ok. So, person B depends on person A and because he depends the because person B depends on person A, person A holds some power ok. So, the greater the dependence of person B on A, the greater will be the power that A possesses and a person can exercise power over another person or other persons only if he or she is in control of something which the other person desires and other person regards to be of importance.

So, the dependency here may be described as this condition of person B's relationship to A because A possesses something which B requires. The greater the dependence of B on A, the greater will be the power of A and A will be able to exercise power on B only because A possesses something which is of value to B, it is desired by B and it is regarded to be important for B.

(Refer Slide Time: 06:09)



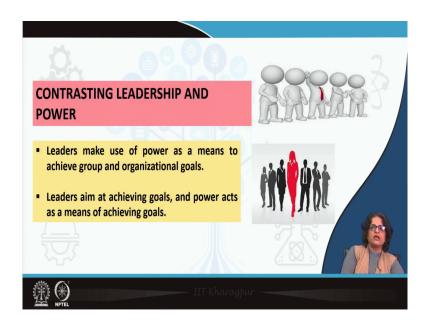
So, this is the dependency postulate, dependency is the fundamental basis of power. The greater one depends on another, the greater the power another holds. So, the greater a person depends on another person, the greater is the power that he holds and dependence is based on the importance of the resource, the scarcity of the resource and the non-substitutability of the resource held by the other person.

So, B will be dependent on A only if A possesses something which is important for B, only if A possesses something which is scarce and only if A possesses something which is non-substitutable. So, dependence is based on the importance scarcity and non-substitutability, B will be dependent on A because A holds something which is important, whatever is being held by A is scarce and is non-substitutable ok.

So, importance here means whatever is held by A is important to be, whatever is held by A is scarce because it is scarce, it creates dependency and whatever is being held by A must be non-substitutable, it cannot be substituted, there should be an absence of equally valued substitutes.

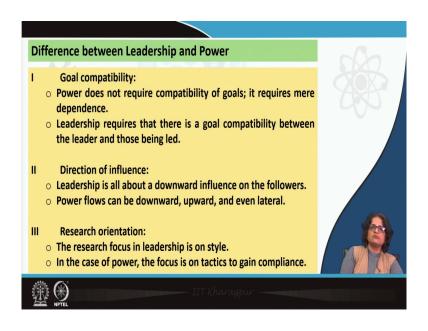
So, B depends on A because A has something which is important for B, whatever A possesses is scarce and whatever A possesses is non-substitutable and when A possesses something which is important scarce and non-substitutable, B becomes dependent on him or her. So, A holds power over B because A is in possession of something which is which is considered to be of importance by B, it is scarce and it is non-substitutable that is why A is able to exercise his power over B and that is why B becomes dependent on A.

(Refer Slide Time: 08:10)



Let us contrast leadership and power. Leaders make use of power as a means to achieve group goals as a mean to achieve organizational goals and leaders aim at achieving goals and power acts as a means of achieving goals.

(Refer Slide Time: 08:23)



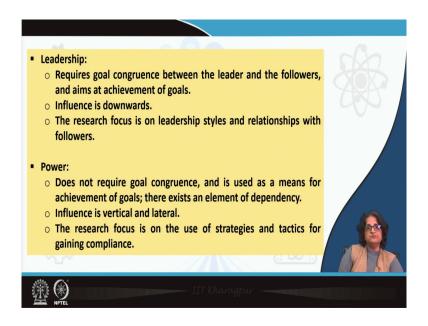
So, what is the difference between leadership and power? Leadership and power is different with respect to goal compatibility, direction of influence and research orientation. Goal compatibility: Power does not require compatibility of goals, it requires mere dependence, but leadership requires that there is a goal compatibility between the leader and the followers ok.

So, goal compatibility, when we talk of goal compatibility, power does not require compatibility of goals, it only requires mere dependence, but leadership requires that there is a goal compatibility between the leader and the follower. Second difference between leadership and power is with respect to direction of influence: Leadership is all about

downward influence on the followers, but power can flow downwards, upwards or even lateral ok.

So, the direction of influence in leadership, it is downward, but in power, flows can be downwards, can be upwards and even lateral. In research orientation in the case of leadership is on style, the research focus in leadership is on style, but the in case of power, the focus is on tactics to gain compliance.

(Refer Slide Time: 09:34)



So, leadership requires goal congruence between the leaders and the followers, for achievement of goals, it influences downwards, the research focus is on leadership style and relationship with the followers, but in the case of power, it does not require goal congruence, it is used as a means for achievement of goals, there exists an element of dependency.

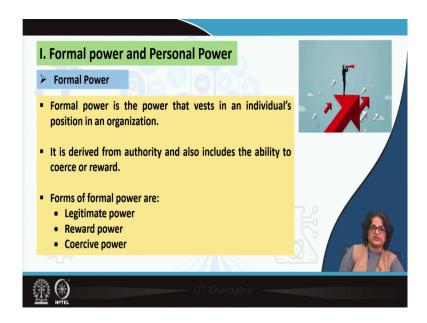
Influence is can be vertical, can be lateral, you know in terms of vertical, it could be downwards or upwards and the research focus is on the use of strategies and tactics for gaining compliance.

(Refer Slide Time: 10:07)



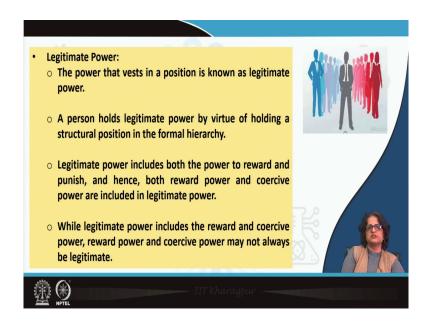
Now, we come to the basis of power. Now, there are various classifications of power, we have the formal power and the personal power as one typology, we have French and Ravens classification is another and we have individual based power bases and organizational based power bases as a third broad classification.

(Refer Slide Time: 10:24)



So, let us first see the formal power and the personal power. Now, formal power; the formal power is the power which vests in a person because of his position in the organization, it is actually derived from the authority and which include his power to reward and his power to punish. So, it includes the ability to reward or ability to coerce, the various forms of formal power are reward power, coercive power and legitimate power.

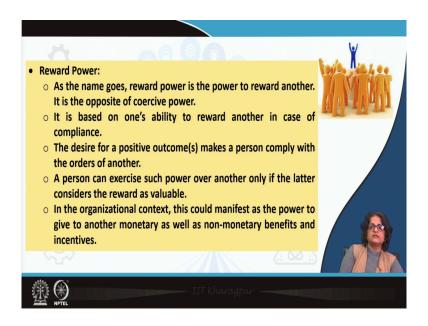
(Refer Slide Time: 10:50)



Legitimate power as the as the term goes is power that vests in a position, the person holds legitimate power by virtue of holding a structural position in the management hierarchy and it includes both the power to reward and punish and so, both reward power and coercive power are included in legitimate power.

So, while, but it is to be noted that while legitimate power includes the reward power and coercive power, reward power and coercive power may not always be legitimate ok. A person may have the power to reward, he may have the power to punish, but he may not be holding a legitimate position, but a person who holds a legitimate position, he has the power to reward and the power to coerce.

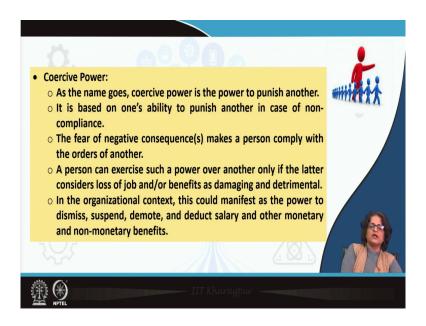
(Refer Slide Time: 11:31)



The second is reward power. As the name goes reward power is the power to reward another person, it is the opposite of coercive power which is the power to punish. Now, reward power is based on one's ability to reward another in case of compliance and this desire for a positive outcome or a positive consequence makes a person you know obey to the orders of other or makes a person comply with the orders of the other.

So, a person can exercise such power over another only if the other person considers the reward to be valuable which we just said. A will be able to exert his reward power on B, only if B feels that the reward offered by A is something which is valuable. So, in the organizational context this would manifest as the power to give a monetary rewards on monetary rewards and benefits and incentives and get work done.

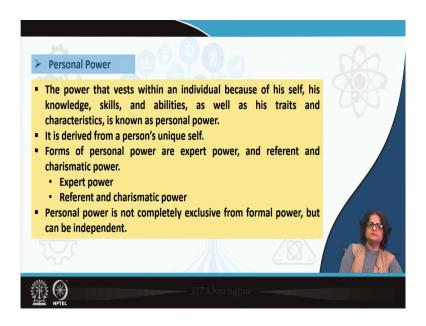
(Refer Slide Time: 12:23)



The third is coercive power. Now as the name goes coercive power is the power to punish another person and it is based on one's ability to punish another in case of non-compliance of orders or directives. And the fear of this negative consequence or fear of this negative outcome makes the person comply with the orders of the other. A person can exercise such a power over another only if the other person considers the loss of job or other loss of other benefits as damaging or detrimental.

In other words, person A would be able to exercise a coercive power over B, only if B fears the loss of job or fears the loss of benefits because of non-compliance. In the organizational context this would manifest as the power to dismiss, suspend, demote, deduct salary or withdraw other monetary and non-monetary incentives and benefits.

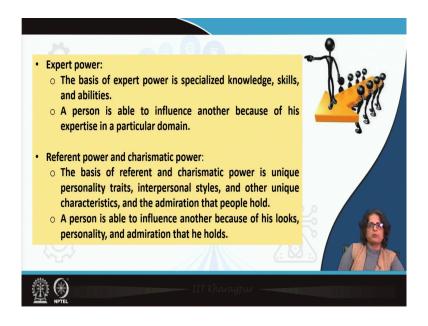
(Refer Slide Time: 13:17)



The this so, we have discussed formal power. Now, we come to personal power, the power that vests within an individual because of his own self, his knowledge, his skills, his abilities, his personality traits, his characteristics is known as personal power. So, it is actually derived from his own unique self and forms of personal power could be expert power, referent power and charismatic power.

So, you have expert power and referent and charismatic power. Personal power is not completely exclusive from formal power. We have to understand that because the person may have both and so, personal power is not completely exclusive, but can be, but nevertheless it can be independent.

(Refer Slide Time: 14:01)



Expert power: The basis of expert power lies in specialized knowledge, skills and abilities that a person possesses. So, a person is able to influence another because of his expertise, because of his you know knowledge or skills in a particular domain and so, he is able to exercise influence over another.

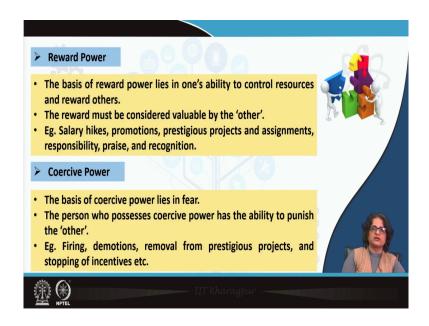
Referent power and charismatic power you know relate to unique personality traits interpersonal styles and other unique characteristics and admiration that people hold. A person is able to influence others because of his looks, because of his personality and admiration.

(Refer Slide Time: 14:34)



Next, we come to French and Raven's classification of power. French and Raven said that power bases can be of five, you know power bases could be could be five kinds, reward power, coercive power, legitimate power, referent power and expert power.

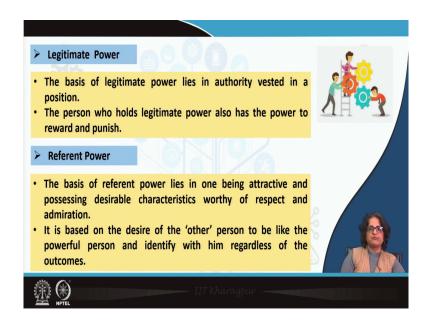
(Refer Slide Time: 14:51)



So, we have discussed reward power which is the basis of reward lies, reward power lies in one's ability to control resources and reward others. For example, salary hikes, promotions, prestigious projects and coercive power is the basis the basis of coercive power lies in fear we just discussed this.

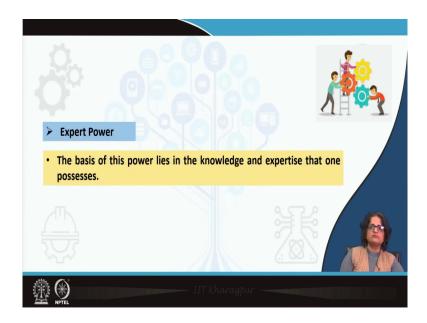
The person who possesses coercive power has the ability to punish the other person and this punishment could be in the form of demotions, you know, removal from prestigious projects, withdrawal of incentives or firing.

(Refer Slide Time: 15:23)



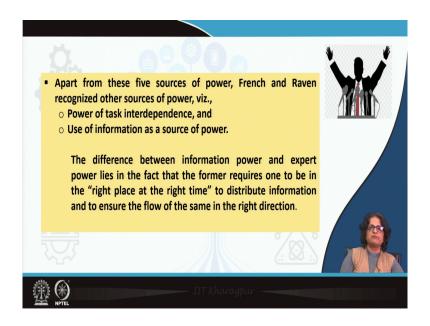
Legitimate power: The basis of legitimate power, lies in authority vested in a position and as we just said, a person who holds legitimate power also holds reward power and coercive power. Referent power, you know, is power which lies in one's being attractive and possessing desirable characteristics. It is based on the desire of the other person to be, to be you know, like the powerful person and identify with him regardless of the outcomes.

(Refer Slide Time: 15:51)



Finally, we have expert power which is power which lies in knowledge and expertise that one possesses.

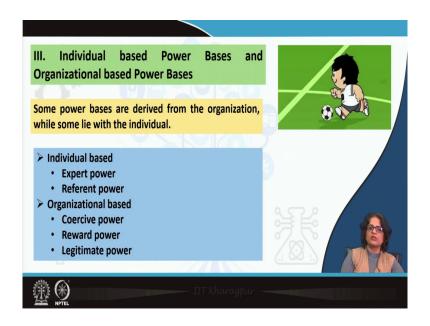
(Refer Slide Time: 15:57)



So, apart from these five sources of power, French and Raven recognized two other powers which is power of task interdependence and use of information power as a source of power. Now, the difference between expert power and information power lies in the fact that, you know, when we when we speak about, you know, information power, it requires one to be in the right place at the right time to distribute information and to ensure that information flows you know in the right direction.

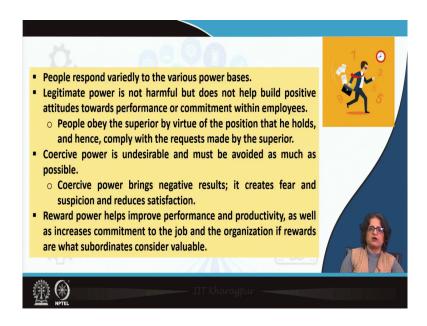
So, there is a difference between expert power and information power and, you know, in information power it is it requires one to be in the right place at the right time to distribute information and to ensure the flow of information in the right direction.

(Refer Slide Time: 16:44)



The third classification is individual based power bases and organizational power bases. Some power bases are derived from the organization and some lie within the individual. Individual based power bases are expert power and referent power, organizational based power organizational based power bases are coercive power, reward power and legitimate power we have discussed all of these in the previous slides.

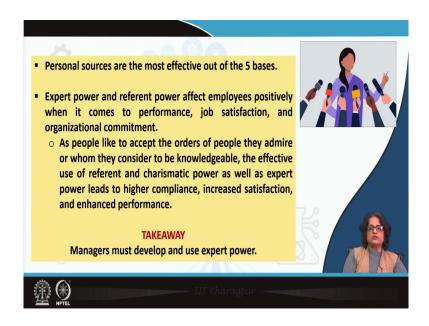
(Refer Slide Time: 17:07)



Now, people respond variedly to the various power bases. Legitimate power of course, is not harmful, but it does not help build very positive attitudes in employees towards performance or commitment. People obey the superior by virtue of the position that he holds and so, they just comply to the request and to the orders made by the superior.

Coercive power is undesirable and must be avoided at all costs. It brings very negative results, it creates fear, it creates suspicion, it reduces employee satisfaction and people basically you know obey to the orders just because of fear of negative consequences. Reward power helps improve performance and productivity, it increases employee commitment to the job, to the organization. If rewards are what subordinates consider to be important and valuable.

(Refer Slide Time: 18:02)

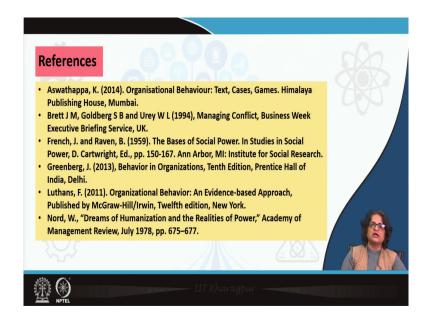


A Personal sources are more most effective of the five bases, expert power and referent power affect employees positively when it comes to their you know performance and it comes to their job satisfaction when it comes to their you know job involvement and commitment and overall organizational commitment.

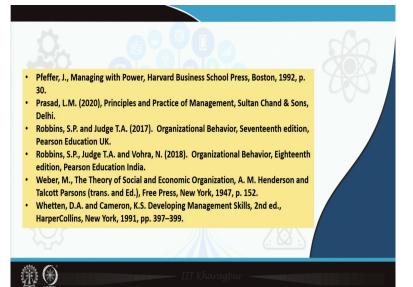
So, as people like to accept the orders of people they admire or whom they consider to be knowledgeable, the proper use of referent and charismatic power as well as expert power can lead to you know very positive outcomes in the organization. It would lead to higher compliance, increased satisfaction and enhanced performance.

So, the takeaway is that managers must develop and use expert power and coercive power should be used the least and of course, personal powers personal sources are most effective and amongst them expert power and referent power effect employees positively. And so, we can conclude by saying that managers must learn to develop and use expert power.

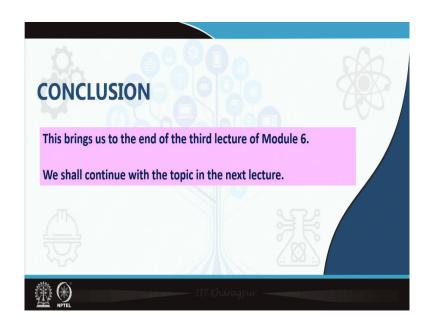
(Refer Slide Time: 19:09)



(Refer Slide Time: 19:14)



(Refer Slide Time: 19:15)



With this I come to an end of this lecture, these are the references. We shall continue with the topic in the next lecture.

Thank you.