Organizational Behaviour
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Lecture – 44
Power and Leadership

Warm welcome to this lecture series on Organizational Behaviour. We are on this chapter on Power and Leadership. I am Dr. M. P. Ganesh from IIT Hyderabad.

OVERVIEW

- Defining Power
- Sources of power
- Empowerment
- Organizational Politics
- Leadership
- Leader Vs Manager
- Approaches to Leadership
- Managerial Grid
- Leadership Theories
- Contemporary Issues

I will quickly summarize what happened in the previous lecture.

POWER

- Ability to influence others.
- The capacity to change the behaviour or attitudes of others in a desired manner.

We defined what is power.

SOURCES OF POWER

- Legitimate: based on formal position.
- Coercive: capacity to administer punishment to others.
- Reward: capacity to administer reward to others.
- Expert: based on skills and abilities.
- Referent: the degree to which one is liked and admired by others.

We also looked at how people get power in an organization context. In other words, what are the sources of power which help people gain power and organizations.

EMPOWERMENT

- Power as a cooperative concept
- Benefits of empowerment

We also looked at the importance of empowerment which also means diversifying the power into many people's hands, and what are the advantages of empowerment in organizational context. We also looked at what will happen if power is centralized in one place or one position.

ORGANIZATIONAL POLITICS

- Unauthorized usage of power to enhance or protect self-interest.
- Forms of political behaviour:
  - Manipulating information flow
  - Impression management
  - Building coalitions
  - Blaming
  - Creating and using reciprocity

So, this is where we stopped in the previous lecture. In this lecture, we will talk about the negative impact or the negative aspects of power in organizations and also to some extent the leadership related concepts. So, one important negative implication of power in organization is organizational politics. Especially when the power in the organization is concentrated in one place or one position, it can lead to organizational politics.

When I say one place; one place means it can be a department, or it can be a particular level in the organization usually in the top level of the organization. When I say one position it can be a particular position like you know a president, or a CEO, or chairman, or you know somebody who is in the top holding that position having too much of power.

Usually in organizations like I mentioned in the earlier lecture power is concentrated at the top which is usually the managers who make important decisions which can influence many people. So, what will happen if power is concentrated in one place or one position? It can lead to power imbalance. When I say imbalance some people might have more power or one person will have more power and many people will have less power; or one department or one section will have more power, other sections will have less power.

So, if the if there is a power imbalance, people will try to acquire power because power is not necessarily restricted to formal power or power based on authority. Power can also be based on other sources like expert power, or referent power, or coercive power and things like that. So, people try to seek other forms of power either through correlations or through indirect

means. So, power is like in like we saw in the earlier lecture, power is the ability to influence others.

So, people would like to have the control over what is happening around them and also over others in the workplace. Why? Because when you feel you do not have control over what is happening around you, or when you do not have control over how people impact you, you feel very insecure. So, it is quite natural that people feel insecure when there is power imbalance or when they feel they do not have enough power. So, when they feel insecure, they try to get power through other sources, so that leads to organizational politics.

For example, one common way in which people get or try to get power in organizations informally is through referent power. So, like I said referent power means trying to get acceptance from others or trying to become popular in the workplace, so that others will feel proud to be associated with you. So, all those things are referent power. So, in organizational context, people may try to do that to get acceptance from others through you know pleasing them or helping them or you know trying to trying to create the sense of identity which is similar to their identity things like that, so that can lead to politics.

So, politics is nothing but using power, informal power to gain personal benefits or to get something which is important for them in the organization, otherwise formally you will not be able to get it, or formally getting it will be difficult. So, there can be many forms of political behaviour, because in workplace it is very difficult to avoid organizational politics; because like I said power cannot be equally distributed, or even if you equally distribute people may perceive there is less power.

So, it may lead to insecurity and they will try to get in to organizational politics power, power politics. So, it can power politics can exhibit in different forms. And like I said earlier it is very difficult to avoid politics in organizations, because it is quite natural for people to feel insecure and you know try to do something to gain more power through other informal sources.

So, what are the kind of political behaviour people exhibit, or how will you know when to be cautious to know there is a power politics in the organization? Power politics or organizational politics can exhibit in different forms. The first form is manipulating information. So, when power politics is there in the organization, first thing which will happen is the information flow will be manipulated.

So, organizations even though there are clear cut rules and clear cut processes which prescribed what information should go to whom, it is very easy for people at the middle to manipulate the information. So, they can either you know tamper with the information or they may not give the sufficient information or not give the required information to the people who are required.

So, especially in organizations for decision making information is a very important asset. So, many of these information cannot be measured or recorded, you know we call it tacit knowledge, knowledge which cannot be recorded. So, tacit knowledge, it is very easy to manipulate this tacit knowledge. If it is a written record, it is very difficult to manipulate it. But if it is something like you know which cannot be measured or which cannot be recorded.

For example, things like you know your supplier's sentiments like let us say you know you know your supplier your major supplier does not make he will not he or she will not transact during a certain day of a month. So, you know this information you know for some people certain days are not very auspicious. So, as a you know person whose close to the supplier you know this supplier will not do business on this particular day.

So, this is a tacit knowledge you cannot record this knowledge. So, you can use this knowledge for your advantage or you know this person has these sentiments. So, these sentiments can be used for your advantage. So, these kind of information you cannot record this information.

So, having these kind of information can give you extra power. So, when people are at this kind of positions where they have these tacit information or informal information, it becomes easy for them to manipulate that. And they do not want to share their information with everyone because this is a very unique information which can be used for their advantage.

So, let us say if I share this information with my colleagues. So, they will also try to do business or you know reach their target by influencing the supplier. If I know if I only know this information I can increase my number of sales or you know I can negotiate with my supplier better, whereas if I share this information, I lose this power. So, manipulating power or when power is not flowing freely in the organization, then it can lead to politics.

So, one important symptom is information flow ok. So, second important symptom which can happen in organizations when there is a lot of political behaviour is impression management. Impression management means people will try to put up a positive act before others. They will

try to act nice, they will try to act very helpful, they will try to please people at the higher levels or even at the lower level ok.

So, very simple way in which this exhibits an organization is being nice to the boss ok. You try to be very polite, you try to be very sincere, very hard working, so all those things are impression management techniques. So, in reality they not be having those qualities. But they try to put up an act where the higher authorities or people in the powerful positions are impressed by this act. So, this is impression management.

Building coalitions means trying to get people for their support, trying to build partnerships. So, trying to build partnership is not wrong in organizations, but doing it informally or doing it for your own benefit is wrong. So, many of these behaviours, in fact are not bad, but if you are doing it for the organization welfare it is actually good; but if you are doing it for your own sake, for your own benefit, then it becomes political behaviour.

So, third kind of political behaviour is building coalitions where you try to bring in people who are similar to you or people who have similar motives, and try to bring partnership with them. For example, very common kind of coalition which happens in organizations is language or regional coalitions. People of similar language they try to form you know smaller groups; they try to you know help each other; they try to do favors for each other. So, these things are building coalitions.

Building coalitions can happen without similar without similar identity also. For example, I will help you and you will help me ok. So, I will try to you know do favors for you whenever I have an opportunity, but you have to do it for me when there is an opportunity arises, so that we both help each other. So, this is building coalitions.

Another important way in which political behaviour happens is blaming ok. So, very common way in which blaming happens is through gossiping. Gossiping means talking bad about someone behind their back.

So, you are not giving negative feedback, negative feedback is different you know giving negative feedback is trying or saying something about their behaviour directly in their face or giving them direct feedback. But blaming is gossiping through indirect ways you know when talking bad about them not in front of them, but to others, so that you know certain kind of images created about somebody else.

So, usually it happens when someone is jealous of the other person. So, you feel you are very powerless because the other person is trying to you know not share power with you, or he or she is trying to put you down. So, one way to retaliate is through blaming or through gossiping. So, through gossiping, what happens is there something called character assassination which means trying to damage their reputation. So, the whole idea of gossiping is the reputation of the other person is damage. You are creating a negative opinion about this person among all the people around them ok. So, it will damage their reputation in long run, so that is blaming.

Other way in which political behaviour happens is through creating and using reciprocity which is similar to building coalitions, where quid pro quo you know I will help you, you help me.

So, sometimes what happens is when a new joiner is joined the organization there will be some people who will try to help them to a large extent, so that they will be very grateful to this person who is helping them. So, many times you see some people willingly trying to help others, so that you know they will create a sense of reciprocity. Reciprocity means indirectly making them feel loyal to you.

So, for example, like I said earlier, you are a new join in the organization. Somebody is like giving you information which is known which is like very unique, they are trying to you know talk to you in a very supportive way I mean usually it is it can be genuine also, but sometimes people do it, so that you will feel grateful to them at some point in time. So, these are some forms of political behaviour.

But again I want to insist that all these behaviours are not necessarily bad, they become bad only when if someone uses them for their own advantage. So, controlling flow of information, being nice to people, building partnerships and collaboration, you know giving negative feedback all those things if you do it for the organizational benefit and also directly, they are not considered to be political behaviour.

So, how do you avoid political behaviour in workplace? Because if there is more political behaviour it can create a negative work environment, you know when new join is joined the organization they will feel very miserable, because they do not know who which side to join. And also if you do not join a side if you take a side you will be punished in directly, you will you will face consequences.

And even if you take sides they will be like you know unnecessary retaliation or you know they will be negative work behaviour which is exhibited by everyone. You know people will cause people will try to control information, people will try to pull each other all those things. So, with in long run which is not good for the organization.

So, how to avoid political behaviour or how to reduce political behaviour in workplace? One important way is like I said earlier empowerment you know when people feel empowered if they feel less insecure, they will not get into political behaviour. Two, make the processes clear cut. You know you make all the processes in a very prescribed manner, have documents which clearly say what has to be done, what has not what should not be done.

Third, they should be fairness. You know all the processes should have should be fair to everyone, it should not the process should not be biased. And also processes should facilitate transparency in the organization. It should help people know what is happening around them. If the processes themselves are very biased, it will lead to more political behaviour in the organization. And high levels of political behaviour in long run will lead to negative work behaviour in the workplace.

LEADERSHIP
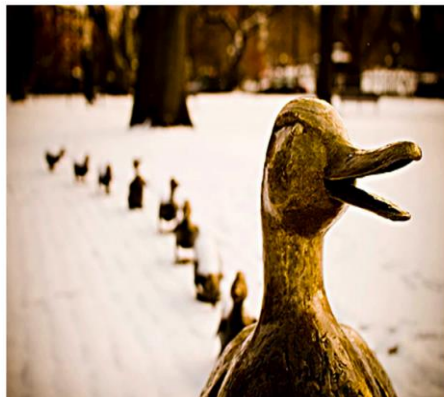
So, we move onto the next section of this chapter which is leadership. So, how do you define leadership? So, usually we define leadership as some leadership is an act where you lead others. So, when you say lead what is leading? Leading is taking them to a goal or taking followers to a path through a path to achieve a goal. This is what we usually visualize as leadership.

DEFINITION

- The ability to persuade others to seek defined objectives enthusiastically.
- The process of influencing a group toward the achievement of goals.

In, in very technical terms, leadership is the ability to persuade others to seek defined objectives enthusiastically. So, which is similar to power. So, without power one cannot have leadership, so that is why leadership and power are connected to each other. So, if you remember the definition of power, power is also similar to leadership which is ability to control others behaviour, ability to influence others behaviour. Similarly, leadership is also using this power influence to influence somebody's behaviour, but in a positive way.

So, here the idea of leadership is using the power to influence others, so that the objectives are achieved enthusiastically. When I say objectives in organizational context, the objectives are organizational objectives. And also when will people enthusiastically try to work for the organizational objectives? Only when they feel achieving organizational objectives will give happiness to themselves also, or in other words achieving organizational objectives will also help them achieve their personal objective.

So, if you remember in the first chapter when we defined organizations, we looked at how it becomes very important to align individual goals to the organizational goals. So, the role of the leader is to make people understand, the make employees understand, if you achieve organizational objectives, you do you will also achieve your own objectives. So, the role of the leader is to make people understand or make people align their own interest to organizational interest.

So, making people understand see, this is a larger goal of the organization. If you achieve it, we all will benefit, we all will achieve our individual goals also. So, this is a very important

characteristics of the leader where he or she makes people understand that all our goals are connected, and when we reach the larger goal all of us will benefit.

In fact, leader also if it is a great leader, the great leader will make people transcend their own you know objectives, their own goals to achieve the larger goals. If you see many of these powerful leaders when people follow them, they are willingly sacrifice their own needs also why because the leader has created such a sense of purpose for them in the larger goal, so that people will forget their smaller individual goals.

Another definition of leadership is in organizational context, the process of influencing group towards the achievement of goals. Similarly, like I said before, making the group feel that we need to work together to achieve the goals. So, here the role of the leader is to make people work together. So, the earlier definition talks about aligning individual goals with larger organizational goals.

The second definition talks about making people work together ok, so that they all together achieve the larger goal ok. So, when you say leaders with another similar word which comes to our mind is manager. Are all managers leaders? Not necessarily. So, what is the difference between a leader and a manager?

MANAGERS AND LEADERS

Managers	Leaders
Administer and copy	Innovation and originality
Maintain	Develop
Focus on systems & structure	Focus on people
Rely on control	Inspire trust
Short-range view - bottom line	Long-range view - the horizon
Ask how and when	Ask what and why
Accept the status quo	Challenge the status quo
Classic good soldier	Own person
Do things right	Do the right things

So, there are two terms which we need to understand, role and designation. Role means something which is prescribed by the society which is not clearly written down. And many a times, role descriptions are perceived by the individual or the individual assume this is what I have to do in this particular role. So, leader is a role. Manager is a designation. When I say

designation it is a title given to you and everything is like clearly prescribed, what you have to do and what you cannot do.

And the power of a manager comes through formal power. On the other hand, leader is a role like I said many a times there are no clear cut descriptions of what a leader should do or should not do. And many times we assume as a leader I have to do these things, because this is what society expects me to do ok. So, this is the difference major difference between leader and manager.

So, for a manager his or her major role is to maintain, maintain the status quo, but for leader it is to develop. And the manager tries to follow the rules, but leader tries to encourage innovation and originality. Manager tries to focus on systems and structures. For a manager, it is all about 'I need to have a certain kind of system structure' and all those things. And in that process manager can have negative influence on people also.

So, what a manager does this, these are the rules, or these are the structure and systems if people do not fit in, they have to be punished. But for a leader systems and processes are for people. If systems and process do not fit into people's needs or if does not help people's welfare, we need to change the systems and structure. On the other hand, for a manager, people are there to make the system and structure work.

If people do not suit the system and structure, they have to be thrown out, but for the leader systems and structures should help people to be effective one, it should help their welfare if it does not help you need to change the system and structure, so that is the difference major difference between leader and the manager.

So, the manager, power of the manager comes through formal power, but the power of the leader comes through referent power, referent power or expert power. Manager looks at the bottom line. Bottom line means profit you know immediate targets, but the leader like I said earlier is very original and innovative, he or she develops innovation, and he or she focus on people.

So, the goal is like very long term; they are like visionaries. They do not worry about what will happen tomorrow. They will worry about what will happen after 20 years, 30 years or even 100 years, so that is where leaders they do not accepts status quo for them. It is all about you know future.

So, if you have to move towards future, you need to change the status quo. You cannot stay in the same place to go to the future. On the other hand, managers they want to maintain the status quo. They want to make everything work at that given point in time. Manager is a good soldier who follows orders, but leader is a own personality. Leader many a times may not you know come to the come into the boundaries of you know.

From the manager's point of view, it is all about doing things right. This is the set of instructions is given to me, I have to do it right. But from a leader's perspective doing the right things which means even if rules say something if that does not suit people or the context you need to do the right thing not doing things right.

But again the question is whom do you need: leaders or managers? You need both. You need managers also. Why, because many a times to maintain status, you need to maintain status quo, you cannot every time change the structure. But when there is a need to change the structure, you need to change the structure. Because if you keep on changing the structure and processes, keep questioning the status quo, you cannot process you know in the right way. You know there is a price you pay for changing ok.

On the other hand, when there is a need to change, you need to change. And to identify there is a need to change you need leadership qualities. So, for a person to be effective he or she should be both a manager and also a leader. So, both the things are important.

You need to work on the right now and what is happening at this point in time, at the same time you need to be open to look at the future and anticipate what will change and be ready to change at any given point in time. So, both are important. But in long run leaders can make a huge impact on the organization.

I will stop here. In the next lecture, we will talk about different approaches and theories to leadership.

Till then take care.