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The Power Dynamics that Facilitate or Inhibit Organizational Success

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Abstract: *The purpose of this manuscript is to identify and define some the key power dynamics often facilitating or inhibiting organizational success. It is composed of qualitative and experiential research based on fifteen years of corporate business experience and graduate-level coursework. It is a conceptual paper based on one person's experience; therefore, the leading limitation is generalizability, but is overcome by research based on references. Analysis demonstrates that of the five power dynamics, coercive power is inherently the most detrimental to an organization. While some of the five recognized power dynamics require positional power, two can be exemplified at any level within an organization. Referent and expert power dynamics can be demonstrated in formal or informal organizations and simply stated, are based on earned respect and demonstrated knowledge and experience in a given field of study. Examples, insight and significance into the various power dynamics are explained, including the potential impact on organizations.*

Keywords – Power dynamics, referent, legitimate, coercive, reward, expert, management

INTRODUCTION

Power is the potential that one has over another person or group(s). In general, the one with the power has control over something the other person or group may desire. Leadership and power are compatible and complementary but not synonymous or interdependent. In the late 1950s, John R. P. French and Bertram Raven, two social psychologists, concluded that there are five power dynamics – referent, legitimate, expert, reward and coercive (French and Raven, 1959). Simply stated, coercive power is the ability to penalize others, while reward power is the ability to incentivize and compensate. Expert power is based on one's knowledge in a given field based on education and/or experience. Legitimate/positional power is authority (or power) based on a given hierarchical structure or formal status within an organization or culture. Referent/personal power is based on acquired respect and veneration one has gained over time.

Bolman and Deal (203-4) include additional power dynamics. They agree on position power (legitimate), control of rewards (reward), coercive power, information and expertise (expert), but they include others and break down our definition of referent into multiple categories. These categories include reputation, personal power, alliances and networks, access and control of agendas, and framing: control of meaning and symbols.

The power dynamic of "reputation builds on expertise. …(states that) opportunities and influence flow to people with strong reputations, like the Hollywood superstars whose presence in a new film sells tickets" (Bolman and Deal, 2008, 203). Personal power is defined as "individuals who are attractive and socially adept – because of charisma, energy, stamina, political smarts, gift of gab, vision, or some other characteristic – are imbued with power independent of other sources" (203). An additional power dynamic is through building alliances and networks. When these types of alliances and networks materialize, it is usually based on one's ability to satisfy goals based on the relationships built in a given organization. Once a strong network is established in a given organization, the organizer may become a valuable resource even though they may be reliant on making decisions and act as an unofficial representative of some groups or point of view. Access and control of agendas allows varying political circles to be present in meetings to not only have face time, but also time on agendas to share ideas and input. Possessing social, or a network-type power, may lead to more actions and proactive behavior, whereas lacking power may lead to inhibition (Keltner, Gruenfeld, & Anderson, Psychol Rev 110: 265-284, 2003) (Smith, Jost & Vijay, 2008). The last power dynamic is framing: control of meaning and symbols. Here, "elites and opinion leaders often have substantial ability to shape meaning and articulate myths that express identity, beliefs and values," promoting "meaning and hope" (Bolman and Deal 2008, 204). The intent of these "additional" power dynamics was developed to explain the "power gap" between those who demonstrate legitimate power but are incapable of motivating others and thus must use other forms to achieve the necessary objectives. For purposes of this manuscript, the focus will remain on the standard five power dynamics – coercive, reward, expert, legitimate and referent.

THE POWER DYNAMICS

Coercive Power

Coercive power has been used in organizations throughout history. Managers who had the legitimate authority to negatively impact others by use of their position too often took advantage of it. Examples of coercive power often includes: not approving vacation time, publicly reprimanding employees (warranted or unwarranted), termination and withholding critical information. Moreover, it could be assumed that those managers may have had managerial styles with characteristics similar to those of Douglas McGregor's Theory X (Bolman and Deal 125) – a theory that presumed that most people did not enjoy work and needed to be specifically directed in order to meet organizational objectives. As a consequence, many of these managers with Theory X characteristics threatened punishment in their effort to motivate employees. Whether working at a Fortune 10 organization or a mom and pop shop, the capability for this power to exist is dependent on the character of the person and culture of the organization. In general, the larger the organization, the more likely for there to be stricter controls around a manager's behavior and for the organization's core values to be exemplified by managers because of the established norming that continues to evolve with longevity. To create an environment that discourages this type of power in a significantly smaller-scale organization, provide guiding principles but do not dictate behavior (Pratto, Pearson, Lee and Saguy 182). Regardless of the size of the organization, coercive activity should not be acceptable. This power often greatly inhibits an organization's success.

Reward Power

Reward power has also been used throughout history and has not only proved effective but up to a point, motivational. The ability "to give or withhold rewards based on performance is a major source of power that allows managers to have a highly motivated workforce" (Jones and George 333). Examples of exercising reward power include the percentage allotted for a given bonus or pay raise, granting comp time, expressing praise and appreciation for hard work verbally or in writing, publically or privately. Good managers know whether it is appropriate to provide intrinsic or extrinsic rewards, depending on the associate and situation. Both "coercive power and reward power are …counterparts of each other. If you can remove something positive of value from another or inflict something of negative value, you have coercive power over that person. If you can give someone something of positive value or remove something of negative value, you have reward power over that person" (Robbins and Judge 452). McGregor's Theory Y can be exemplified here as well. This theory states that managers generally believe people enjoy work and want to succeed in their roles. Managers with this mindset are more likely to empower their employees. Empowerment is often a major form of leadership that can be motivational and create a positive work environment. Many managers use reward power, but it is often reflective of the size of the organization. The smaller the organization, in general (with the assumption being lower revenue dollars), the lower the manager's ability to distribute significant pay raises. The larger the organization (with the assumption of a greater workforce and higher revenue dollars), in general, the manager can provide a more substantial distribution of pay or allotment of bonuses. Therefore, it can be assumed that, in general, extrinsic rewards such as these often come in greater packages from larger organizations. However, any organization can reward its associates through praise, recognition, competitive benefits and time away from work. This power dynamic can significantly facilitate an organization's success.

Expert Power

Expert power is based on specific experience(s), job knowledge and/or educational background. This power is not dependent on one's position in an organization. With this power dynamic, "expertise has become one of the most powerful sources of influence as the world has become more technologically oriented. As jobs become more specialized, we become increasingly dependent on experts to achieve goals" (Robbins and Judge 453). These respected positions include web developers, those who create patches to solve for computer viruses, as well as doctors, lawyers, tax accountants, to name a few. Expert power can be found throughout organizations. For example, a finance manager needs to understand the impact of financial forecasts when they make adjustments to proposals or close gaps in other areas in the organization; marketing teams may need to understand that the bigger the campaign, the more sales will increase and ensure that the organization is scalable to accommodate these increases; front-line managers need to understand the impact of hiring and terminating employees and should obtain additional expertise from human resource managers; and quality audit managers need to establish and ensure the highest quality products and services are developed and distributed to customers to maintain competitive advantages, reputation, but at the same time balance quality with cost using a cost benefit analysis. When used well and for organizational purposes this expert power dynamic will often add value to any organization and may become a catalyst for facilitating the organization's future success.

Legitimate Power

Legitimate power is directly related to the position held in a given organizational structure. Authority over others is granted by span of control allotted to a given manager. Examples of this power generally include the ability to hire and terminate employees, assign roles, delegate special projects, perform performance appraisals and provide professional guidance. These power dynamics often include reward, coercive and other power dynamics, but because managers often have the authority to provide positive or negative value over another's position within the organization it becomes incumbent upon them to determine when which type of power is both practical and effective. The misuse of coercive power or the devaluing of positive opportunities with frivolous examples tends to prove detrimental. This power, and those who hold it, is inherent to any formal organization. It is imperative for organizations to hire executives with characteristics of those that align with the organization's core values and verify that they are in-fact aligned, because, and unfortunately, some managers may take advantage of this positional power and without a whistleblower, it may be difficult to detect. To create an environment where this behavior is not acceptable, executives must ensure that there is an open door policy and regular 360-degree performance evaluations performed on a regular basis. This not only can create a culture of trust, but a healthy atmosphere that promotes organizational values, while growing and developing its workforce, are as important as the product or service the organization provides. Legitimate or positional power is a required element for any organization to function, but has also been many organizations downfall when the wrong people are in the wrong positions doing the wrong things.

Referent Power

Referent or personal power is often "more informal than the other kind of powers. Referent power is a function of the personal characteristics of a leader; it is the power that comes from subordinates' and coworkers' respect, admiration and loyalty" (Jones and George 335). In general, these people often desire to work with, please, or in some way align themselves with the person with the referent power. This idea may be one of rationalizations about the phenomenon for "why celebrities are paid millions of dollars to endorse products in commercials. Marketing research shows that people such as LeBron James and Tom Brady have the power to influence your choice of athletic shoes and credit cards" (Robbins and Judge 453). If a non-celebrity delivered the exact same sales pitch, the expected outcome could be drastically different. Whether or not one is in a formal leadership position, referent power is often illustrated through "their charismatic dynamism, likeability and emotional effect" (453). This power can be found throughout almost any organization, or group, regardless of the size of the group, organization, company, or position of the person. For those looking to increase their hierarchical position within an organization without having legitimate power, referent power can be displayed, demonstrating they have the ability to lead and can begin to showcase tangible results. Referent power can often motivate a workforce to create a culture that helps facilitate an organization's success.

CONCLUSION

Robbins and Judge (2009) categorizes the five power dynamics into two groups – formal power and personal power. Formal bases of power include legitimate, reward and coercive; personal power includes expert and referent power dynamics. Their "research suggests pretty clearly that the personal sources of power are (often) most effective. Both expert and referent power are positively related to employees' satisfaction with supervision, their organizational commitment, and their performance, whereas reward and legitimate power seem to be unrelated to these outcomes. Moreover, one source of formal power – coercive power – actually can backfire in that it is negatively related to employee satisfaction and commitment" (Robbins and Judge 453). These power dynamics will always exist. Good leaders and managers should reflect on the dynamic they most often use and ensure it has a positive impact and facilitates success for the organizations and its culture.

There is no right or wrong power dynamic, as each could potentially prove valuable in the right situation. In general, most people don't react favorably when under a structure demonstrating coercive power, but in some situations (perhaps military scenarios), it may substantiate actions contributing to desired outcomes. In corporate settings, the other 4 power dynamics have demonstrated to successful, and often proving motivational, enabling people, projects and organizations to be fruitful.

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