**CHAPTER 8**

**POWER AND POLITICS IN AN ORGANIZATION**

**8.1. Definition of power**

**Power** is the ability to get someone else to do something you want done or the ability to make things happen or get things done the way you want. Power is derived from the official position held by an individual in an organization.

***POWER VERSUS AUTHORITY***

* **Power** is the ability of one person or department in an organization to influence other people to bring about desired outcomes.
* It is the potential to influence others within the organization, but with the goal of attaining desired outcomes for power holders.
* Power is an intangible force in organizations. It cannot be seen but its effect can be felt.
* **Power** exists only in a relationship between two or more people, and it can be exercised in either vertical or horizontal directions.
* The source of power often drives from an exchange relationship in which one position or department provides scarce or valued resources to other departments.
* When one person is dependent on another person, a power relationship emerges in which the person with the resources has greater power.
* When power exists in a relationship; the power holders can achieve compliance with their requests.

For example, the following outcomes are indicators of power in an organization:

* Obtain a large increase in budget than other departments
* Obtain above average salary increases for subordinates
* Get items on the agenda at policy meetings.

**Authority**

* The concept of formal authority is related to power but is narrower in scope. Authority is acquired from the organizational hierarchy.
* Authority is also a force for achieving desired outcomes, but only as prescribed by the formal hierarchy and reporting relationships.
* Three properties identify authority:
  + 1. Authority is vested in organizational positions­­­­:People have authority because of the positions they hold, not because of personal characteristics.

* + 1. Authority is accepted by subordinates: Subordinates comply because they believe position holders have legitimate right to exercise authority.
    2. Authority flows down the vertical hierarchy: Authority exists along the formal chain of command, and positions at the top of the hierarchy are vested with more formal authority than are positions at the bottom.
       - Organizational power can be exercised upward, downward, and horizontally in organizations.
       - Formal authority is exercised downward along the hierarchy and is the same as vertical power and legitimate power.

**8.2. Contrasting leadership and power**

* Leadership is the ability to influence a group toward the achievement of goals.
* Leadership involves influence, it occurs among people, those people intentionally desire significant changes, and the changes reflect purposes shared by leaders and followers.
* **Power Leadership**

- Focuses on goal achievement.  **-** Used as a means for achieving goals.

- Requires goal compatibility with followers. **-** Requires follower dependency.

- Focuses influence downward. **-** Used to gain lateral and upward

influence**.**

* **Research Focus Research Focus**

Power tactics for gaining compliance. Leadership styles and relationships

with followers.

**8.3. Base and sources of power**

**Bases of Power**

(a) **Rewards:** This power source derives from the person’s control over resources, for example power to control human resources, pay and promotion. Greater the perceived value of each rewards the greater the power. These rewards can be extrinsic in nature with tangible values as well as intrinsic such as praise or recognition.

(b) **Coercive:** The power to punish or reward the power to threaten and to use one’s position to force others to take action. It reflects the extent to which a manager can deny desired rewards or administer punishment to control other people. For example a threat to meet given targets otherwise there would be reduction in salary.

(c) **Legitimate:** The power which is exercised in accordance with organizational rules. This power is exercised with the authority of organization. Power derives from our cultural system of rights, obligations and duties, whereby position is accepted by people, i.e. right of private property.

(d) **Referent:** This depends on charisma or personal attraction of the individual. Interpersonal skill and emotional support from others are the sources of power for a person. Stronger the association, stronger the power. For example Mahatma Gandhi, people believed in his ideology.

(e) **Expert:** Power which derives from knowledge. Sometimes called sapient authority, this is power based on an acknowledgement of others expertise e.g. Physician.

(f) **Information:** Information about people, events or other facts assist prediction about future behavior or events.

**Sources of Power**

**1. Knowledge as power:** Information Technology has taken a big leap in the last two decades. Information is necessary for top management to take decisions. Information is vital to carry out various operations in the business environment. Thus a person or a group holding information becomes more powerful than their counter part. Flow of information is necessary for continuous production or service operations. Persons who are in position to control the flow of information wield enormous power to influence the behavior of others.

**2. Resource as power:** Resources are necessary for any organization. While material or tangible resources can be procured easily, it is the availability of these resources, at right time, at right place in a required quality and at a competitive price. Any person having monopoly over scares resources wield power.

**3. Decision making as power:** Decision making as power in organization rests with the head of the organization. Decision making is delegated to departmental heads depending upon the nature of work, ability of the departmental heads and the trust enjoyed by them. Decisions are influenced, may be by subordinates, peers, friends or even family members who are psychologically close to decision maker. Therefore, both a person having decision making authority and a person who can influence decision making have power in the organization.

**4. Power Centers:** There exist people in the organization who desire to be stronger. They also want people dependent on them. Specialists, people with special powers deliberately delay decisions or hold resources so that they become more demanding. Power centers exist in various departments. It may in form of reservoir of power.

**5. Dependency:** Strength of power depends upon degree of dependency. Greater the dependency on the power holder greater influence will the power holder exercised over his subordinates. Dependency is directly related between power holder and those do not have it. Power holder holds power of retention to be able to increase dependency. All managers have two dimensional power bases. One is the power generated by the organizational authority and the second, the personal power by virtue of personality.

**Centrality:** Centrality refers to activities which are central to organizations. Finance is central activity in the organization hence the finance manager holds power in excess of his authority. Finance manager further allocates funds to various departments. Department heads therefore also become powerful not because they can further allocate funds to their subordinates but because centrality of activity. Managers of various departments have power based on their departmental position. In addition they enhance their power position by virtue of opportunities they get to control activities that are central to the organization. This gives managers authority to control various units and sub-units.

**Scarcity:** When resources are in abundance there is no problem as everybody would get them based on their requirement. When resources become scarce, a person obtaining it will appear to be more powerful.

**Uncertainty:** Management is related to planning for organization. It is basically related to identification of organizational objectives, evaluation of various alternatives and selection of best course of action and planning resources to put in action the course selected. Uncertainty of availability of required manpower with specific skills, raw material, and finance can play havoc with the plans.

**Substitutability:** Greater the value of a person in the organization, the greater the power it holds. There are some people who amass power because of their specialty. By virtue of their contribution to the organization they become indispensable. They could not be substituted by another person. What is important is that people have a tendency to take advantage of their specialization and high demand in the market and exploit organizations by using added amassed power.

**Power Tactics:** isways in which individuals translate power bases into specific actions. There are standardized ways by which power holders attempt to get what they want. These tactical dimensions or strategies are:

***Reason:***Use of facts and data to make a *logical* or rational presentation of ideas

***Friendliness:***Use of flattery, creation of goodwill, acting humble, and being friendly prior to making a request

***Coalition****:* Getting the support of other people in the organization to back up the request

***Bargaining****:* Use of negotiation through the exchange of benefits or favors

***Assertiveness****:* Use of a direct and forceful approach such as demanding compliance with requests, repeating reminders, ordering individuals to do what is asked, and pointing out that rules require compliance

***Higher authority****:* Gaining the support of higher levels in the organization to back up requests

***Sanctions****:* Use of organizationally derived rewards and punishments such as preventing or promising a salary increase, threatening to give an unsatisfactory performance evaluation, or withholding a promotion

**8.4. Power in group coalitions**

**Coalitions: c**lusters of individuals who temporarily come together to achieve a specific purpose. The natural way to gain influence is to become a power holder, Therefore, those who want power will attempt to build a personal power base. But, in many instances, this may be difficult, risky, costly, or impossible. In such cases, efforts will be made to form a coalition of two or more "outs" who, by joining together, can combine their resources to Increase rewards for themselves.

**Coalition formation**

* Seek to maximize their size to attain influence.
* Seek a broad and diverse constituency for support of their objectives.
* Occur more frequently in organizations with high task and resource interdependencies.
* Occur more frequently if tasks are standardized and routine.

**8.5** **Politics in an Organization**

Politics is about access to power. How organization structure promotes opportunities available or enhance access to power is therefore of considerable importance. Politics define as those activities taken within organizations to acquire, develop and use power and other resources to obtain one’s preferred outcome in a situation in which there is uncertainty or dissensus about choices”. Power is a property of system at rest; politics is the study of power in action.

**Organizational politics Definition –**involves activities to acquire, develop and use power and other resources to obtain one’s preferred outcome when there is uncertainty or disagreement about choices.

* Politics is the use of power to influence decisions in order to achieve desired outcomes.
* The exercise of power and influence has led to two ways to define politics:
* as self – serving behavior or
* as a natural organizational decision process.
* The first definition emphasizes that politics is self–serving and involves activities that are not sanctioned by the organization.
* In this view politics involves deception and dishonesty for purposes of individual self–interest.
* The second view sees politics as a natural organizational process for resolving differences among organizational interest groups.
* Politics is the process of bargaining and negotiation that is used to overcome conflicts and differences of opinion.

The organization theory perspective views politics as described in the second definition\_\_as a normal decision-making process.

* Politics is simply the activity through which power is exercised in the resolution of conflicts and uncertainty.
* Politics is neutral and is not necessarily harmful to the organization.

***Domains of Political Activity***

Four **domains of political activity** (areas in which politics plays a role) in most organizations are structural change, interdepartmental coordination, management succession, and resource allocation.

* + 1. **Structural change:-**
* Structural reorganizations strike at the heart of power and authority relationships.
* Reorganizations change responsibilities and tasks, which also affects the underlying power base from strategic contingencies.
* For these reasons, a major reorganization can lead to an explosion of political activity.
* Managers will actively bargain and negotiate to maintain the responsibilities.

1. **Interdepartmental Coordination**

* Relationships between major organizational departments typically are not well defined.
* When joint issues arise, managers have to meet and work out solutions on an adhoc basis.
* The ability of one department to achieve its goal often involves the cooperation of other departments.
* Interdepartmental coordination lacks rules and precedents to guide it.
* Uncertainty and conflict are common, especially when the issues are departmental territory and responsibility.
* Political processes help define respective authority and task boundaries.

1. **Management succession**

* Management succession involves hiring new executives, promotions, and transfers.
* Managers can use hiring and promotion to strengthen network alliances and coalitions by putting their own people in prominent positions.

1. **Resource allocation**

* Resource allocation decisions encompass all resources required for organizational performance, including salaries, operating budgets employees, office facilities, equipment and so fort
* Resources are so vital that disagreement about priorities exists, and political processes help resolve the dilemmas.

**Tactics for Playing Politics**

Political tactics and strategies are used by individuals and subunits to increase their chances of winning the political game

1. Increasing indispensability

Indispensability can be achieved by an increase in no substitutability or an increase in centrality. Increasing no substitutability–Managers may develop specialized organizational skills that allow them to solve problems for other managers.

They may specialize in an area of increasing concern to the organization – such as international trade regulations, pollution control, or health and safety – so that they eventually are in a position to control a crucial contingency facing the organization.

**Increasing centrality –** Managers can increase their indispensability by making themselves more central to an organization.

They can deliberately accept responsibilities that bring them into contact with many functions or with many managers so that they can enhance their personal reputation and that of their function.

2. Associating with powerful managers-

By supporting a powerful manager and making oneself indispensable to that person, it is possible to rise up the organizational ladder with that person.

Top managers often become mentors to aspiring lower-level managers because planning for the managerial succession is an important task of top managers.

3. **Building and managing coalitions**

* Coalition building means taking the time to talk with other managers to persuade them to your point of view.
* Most important decisions are made outside formal meetings.
* Managers discuss issues with each other and reach agreement on a one-to-one basis.

4. Influencing decision making

Controlling the agenda \_\_By controlling the agenda, managers and coalitions are able to control the issues and problems to be considered by important decision makers.

Thus, a coalition of powerful managers can prevent consideration of any issue that they do not support by not putting it on the agenda.

Bringing in an outside expert\_\_When a major conflict exists, such as when top managers are deciding how to change or restructure the organization, all managers and coalitions know that individuals and groups are fighting for their interests.

Every subunit manager wants the axe to fall on other subunits and wants to try to benefit from whatever change takes place.The supposedly objective views of the expert are then used to support the position of the coalition in power.

Managerial Implications: Power and Politics

1. Recognize that politics is a fact of organizational life, and develop the skills to understand how politics shapes organizational decision making.

2. Develop a personal power base to influence decision making, and use it to prevent political managers or groups from pursuing their interests at the expense of organizational interests.

3. To obtain power, try to associate with powerful managers and find a powerful mentor, make yourself central and non-substitutable, develop personal skills so that you can reduce uncertainty for other subunits or for the organization, seek membership on committees that will give you access to information, and obtain control of organizational resources.

4. Seek to maintain a power balance between individuals or subunits in an organization in order to preserve the quality of organizational decision making.