Chapter 13. Power and Politics

Video Connection

If you are interested in learning more about Steve Jobs as he describes pivotal moments in his life, view Steve Jobs's commencement speech at Stanford in 2005, available at the following Web site: http://www.youtube.com/watch?v=UF8uR6Z6KLc

Focus on Power: The Case of Steve Jobs

Figure 13.1.

In 2007, *Fortune* named Steve Jobs the "Most Powerful Person in Business." In 2009, the magazine named him "CEO of the Decade." Jobs, CEO of Apple Inc. (NASDAQ: AAPL), has transformed no fewer than five different industries: computers, Hollywood movies, music, retailing, and wireless phones. His Apple II ushered in the personal computer era in 1977, and the graphical interface of the Macintosh in 1984 set the standard that all other PCs emulated. His company Pixar defined the computer-animated feature film. The iPod, iTunes, and iPhone revolutionized how we listen to music, how we pay for and receive all types of digital content, and what we expect of a mobile phone.

How has Jobs done it? Jobs draws on all six types of power: legitimate, expert, reward, information, coercive, and referent. His vision and sheer force of will helped him succeed as a young unknown. But the same determination that helps him succeed has a darker side—an autocracy and drive for perfection that can make him tyrannical. Let's take each of these in turn.

1. *Legitimate power*. As CEO of Apple, Jobs enjoys unquestioned legitimate power.

2. *Expert power*. His success has built a tremendous amount of expert power. Jobs is renowned for being able to think of markets and products for needs that people didn't even know they had.

3. *Reward power*. As one of the richest individuals in the United States, Jobs has reward power both within and outside Apple. He also can reward individuals with his time and attention.

4. *Information power*. Jobs has been able to leverage information in each industry he has transformed.

5. *Coercive power*. Forcefulness is helpful when tackling large, intractable problems, says Stanford social psychologist Roderick Kramer, who calls Jobs one of the "great intimidators." Robert Sutton notes that "the degree to which people in Silicon Valley are afraid of Jobs is unbelievable." Jobs is known to berate people to the point of tears.

6. *Referent power*. But at the same time, "He inspires astounding effort and creativity from his people." Employee Andy Herzfeld, the lead designer of the original Mac operating system, says Jobs imbues employees with a "messianic zeal" and can make them feel that they're working on the greatest product in the world.

Those who work with him say Jobs is very hard to please. However, they also say that this means that Apple employees work hard to win his approval. "He has the ability to pull the best out of people," says Cordell Ratzlaff, who worked closely with Jobs on OS X for 18 months. "I learned a tremendous amount from him." Jobs's ability to persuade and influence has come to be called a "reality distortion field." As Bud Tribble put it, "In his presence, reality is malleable. He can convince anyone of practically anything." Hertzfeld describes his style as "a confounding mélange of a charismatic rhetorical style, an indomitable will, and an eagerness to bend any fact to fit the purpose at hand." The influence works even when you're aware of it, and it works even on "enemies": "No other high-tech impresario could walk into the annual sales meeting of one of his fiercest rivals and get a standing ovation," which is what Jobs got in 2002 from Intel Corporation (the ally of Apple archrival Microsoft in the partnership known as Wintel: Windows + Intel).

Jobs's power is not infallible—he was ousted from his own company in 1987 by the man he hired to help him run it. But he returned in 1997 and brought the company back from the brink of failure. The only years that Apple was unprofitable were the years during Jobs's absence. Many are watching to see how Apple and Jobs succeed with the iPad in 2010.

DISCUSSION QUESTIONS

1. Steve Jobs has achieved a great deal of success. What are some possible negative consequences of the level of power that he holds?

2. Where does Steve Jobs's power and influence come from?

3. How might the CEO of Apple create compliance within his organization?

4. Does a member of an organization who has the title of power, such as Steve Jobs, need legitimacy from the members of the organization to realize that power, or is the title enough?

5. Apple is a global company. How might the power structure within Apple change to reflect regional differences?

Section 1:
The Basics of Power

LEARNING OBJECTIVES

1. Learn the meaning of *power*.

2. Understand how power can have both positive and negative consequences.

3. Learn about different sources of power.

4. Understand the relationship between dependency and power.

What Is Power?

We'll look at the aspects and nuances of power in more detail in this chapter, but simply put, **power** is the ability to influence the behavior of others to get what you want. Gerald Salancik and Jeffery Pfeffer concur, noting, "Power is simply the ability to get things done the way one wants them to be done."[807] If you want a larger budget to open a new store in a large city and you get the budget increase, you have used your power to influence the decision.

Power distribution is usually visible within organizations. For example, Salancik and Pfeffer gathered information from a company with 21 department managers and asked 10 of those department heads to rank all the managers according to the influence each person had in the organization. Although ranking 21 managers might seem like a difficult task, all the managers were immediately able to create that list. When Salancik and Pfeffer compared the rankings, they found virtually no disagreement in how the top 5 and bottom 5 managers were ranked. The only slight differences came from individuals ranking themselves higher than their colleagues ranked them. The same findings held true for factories, banks, and universities.

Positive and Negative Consequences of Power

The fact that we can see and succumb to power means that power has both positive and negative consequences. On one hand, powerful CEOs can align an entire organization to move together to achieve goals. Amazing philanthropists such as Paul Farmer, a doctor who brought hospitals, medicine, and doctors to remote Haiti, and Greg Mortenson, a mountaineer who founded the Central Asia Institute and built schools across Pakistan, draw on their own power to organize others toward lofty goals; they have changed the lives of thousands of individuals in countries around the world for the better.[808] On the other hand, autocracy can destroy companies and countries alike. The phrase, "Power tends to corrupt, and absolute power corrupts absolutely" was first said by English historian John Emerich Edward Dalberg, who warned that power was inherently evil and its holders were not to be trusted. History shows that power can be intoxicating and can be devastating when abused, as seen in high-profile cases such as those involving Enron Corporation and government leaders such as the impeached Illinois Governor Rod Blagojevich in 2009. One reason that power can be so easily abused is because individuals are often quick to conform. To understand this relationship better, we will examine three famous researchers who studied conformity in a variety of contexts.

Conformity

Conformity refers to people's tendencies to behave consistently with social norms. Conformity can refer to small things such as how people tend to face forward in an elevator. There's no rule listed in the elevator

saying which way to face, yet it is expected that everyone will face forward. To test this, the next time you're in an elevator with strangers, simply stand facing the back of the elevator without saying anything. You may notice that those around you become uncomfortable. Conformity can result in engaging in unethical behaviors, because you are led by someone you admire and respect who has power over you. Guards at Abu Ghraib said they were just following orders when they tortured prisoners.[809] People conform because they want to fit in with and please those around them. There is also a tendency to look to others in ambiguous situations, which can lead to conformity. The response to "Why did you do that?" being "Because everyone else was doing it" sums up this tendency.

So, does conformity occur only in rare or extreme circumstances? Actually, this is not the case. Three classic sets of studies illustrate how important it is to create checks and balances to help individuals resist the tendency to conform or to abuse authority. To illustrate this, we will examine findings from the Milgram, Asch, and Zimbardo studies.

The Milgram Studies

Figure 13.2.
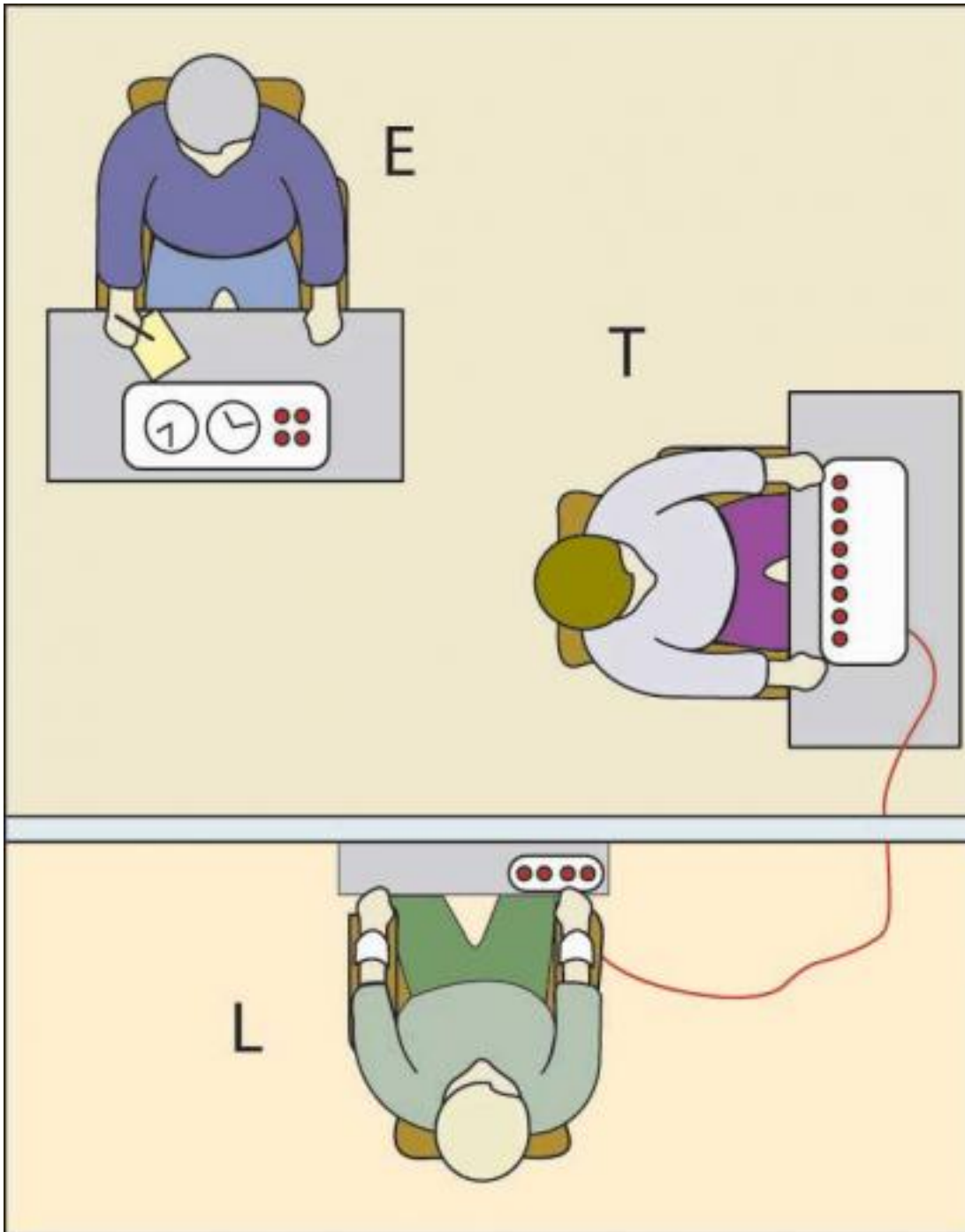
This is an illustration of the setup of a Milgram experiment. The experimenter (E) convinces the subject ("Teacher" T) to give what are believed to be painful electric shocks to another subject, who is actually an actor ("Learner" L). Many subjects continued to give shocks despite pleas of mercy from the actors.

Stanley Milgram, a psychologist at Yale in the 1960s, set out to study conformity to authority. His work tested how far individuals would go in hurting another individual when told to do so by a researcher. A key factor in the Milgram study and others that will be discussed is the use of confederates, or people who seem to be participants but are actually paid by the researchers to take on a certain role. Participants believed that they were engaged in an experiment on learning. The participant (teacher) would ask a series of questions to another "participant" (learner). The teachers were instructed to shock the learners whenever an incorrect answer was given. The learner was not a participant at all but actually a confederate who would pretend to be hurt by the shocks and yell out in pain when the button was pushed. Starting at 15 volts of power, the participants were asked to increase the intensity of the shocks over time. Some expressed concern when the voltage was at 135 volts, but few stopped once they were told by the researcher that they would not personally be held responsible for the outcome of the experiment and that their help was needed to complete the experiment. In the end, all the participants were willing to go up to 300 volts, and a shocking 65% were willing to administer the maximum of 450 volts even as they heard screams of pain from the learner.[810]

The Asch Studies

Another researcher, Solomon Asch, found that individuals could be influenced to say that two lines were the same length when one was clearly shorter than the other. This effect was established using groups of four or more participants who were told they were in experiments of visual perception. However, only one person in the group was actually in the experiment. The rest were confederates, and the researchers had predetermined whether or not they gave accurate answers. Groups were shown a focal line and a choice of three other lines of varying length, with one being the same length as the focal line. Most of the time the confederates would correctly state which choice matched the focal line, but occasionally they would give an obviously wrong answer. For example, looking at the following lines, the confederates might say that choice C matches the length of the focal line. When this happened, the actual research participant would go along with the wrong answer 37% of the time. When asked why they went along with the group, participants said they assumed that the rest of the group, for whatever reason, had more information regarding the correct choice. It only took three other individuals saying the wrong answer for the participant to routinely agree with the group. However, this effect was decreased by 75% if just one of the insiders gave the correct answer, even if the rest of the group gave the incorrect answer. This finding illustrates the power that even a small dissenting minority can have. Additionally, it holds even if the dissenting confederate gives a different incorrect answer. As long as one confederate gave an answer that was different from the majority, participants were more likely to give the correct answer themselves.[811] A meta-analysis of 133 studies using Asch's research design revealed two interesting patterns. First, within the United States, the level of conformity has been decreasing since the 1950s. Second, studies done in collectivistic countries such as Japan showed more conformity than those done in more individualistic countries such as Great Britain.[812]

Figure 13.3.

Participants were asked one by one to say which of the lines on the right matched the line on the focal line on the left. While A is an exact match, many participants conformed when others unanimously chose B or C.

The Zimbardo Study

Philip Zimbardo, a researcher at Stanford University, conducted a famous experiment in the 1970s.[813] While this experiment would probably not make it past the human subjects committee of schools today, at the time, he was authorized to place an ad in the paper that asked for male volunteers to help understand prison management. After excluding any volunteers with psychological or medical problems or with any history of crime or drug abuse, he identified 24 volunteers to participate in his study. Researchers randomly assigned 18 individuals to the role of prisoner or guard. Those assigned the role of "prisoners" were surprised when they were picked up by actual police officers and then transferred to a prison that had been created in the basement of the Stanford psychology building. The guards in the experiment were told to keep order but received no training. Zimbardo was shocked with how quickly the expected roles emerged. Prisoners began to feel depressed and helpless. Guards began to be aggressive and abusive. The original experiment was scheduled to last 2 weeks, but Zimbardo ended it after only 6 days upon seeing how deeply entrenched in their roles everyone, including himself, had become. Next we will examine the relationship between dependency and power.

The Relationship Between Dependency and Power

Dependency

Dependency is directly related to power. The more that a person or unit is dependent on you, the more power you have. The strategic contingencies model provides a good description of how dependency works. According to the model, dependency is power that a person or unit gains from their ability to handle actual or potential problems facing the organization.[814] You know how dependent you are on someone when you answer three key questions that are addressed in the following sections.

Scarcity

In the context of dependency, *scarcity* refers to the uniqueness of a resource. The more difficult something is to obtain, the more valuable it tends to be. Effective persuaders exploit this reality by making an opportunity or offer seem more attractive because it is limited or exclusive. They might convince you to take on a project because "it's rare to get a chance to work on a new project like this," or "You have to sign on today because if you don't, I have to offer it to someone else."

Importance

Importance refers to the value of the resource. The key question here is "How important is this?" If the resources or skills you control are vital to the organization, you will gain some power. The more vital the resources that you control are, the more power you will have. For example, if Kecia is the only person who knows how to fill out reimbursement forms, it is important that you are able to work with her, because getting paid back for business trips and expenses is important to most of us.

Substitutability

Finally, *substitutability* refers to one's ability to find another option that works as well as the one offered. The question around whether something is substitutable is "How difficult would it be for me to find another way to this?" The harder it is to find a substitute, the more dependent the person becomes and the more power someone else has over them. If you are the only person who knows how to make a piece of equipment work, you will be very powerful in the organization. This is true unless another piece of equipment is brought in to serve the same function. At that point, your power would diminish. Similarly, countries with large supplies of crude oil have traditionally had power to the extent that other countries need oil to function. As the price of oil climbs, alternative energy sources such as wind, solar, and hydropower become more attractive to investors and governments. For example, in response to soaring fuel costs and environmental concerns, in 2009 Japan Airlines successfully tested a blend of aircraft fuel made from a mix of camelina, jatropha, and algae on the engine of a Boeing 747-300 aircraft.[815]

Figure 13.4.
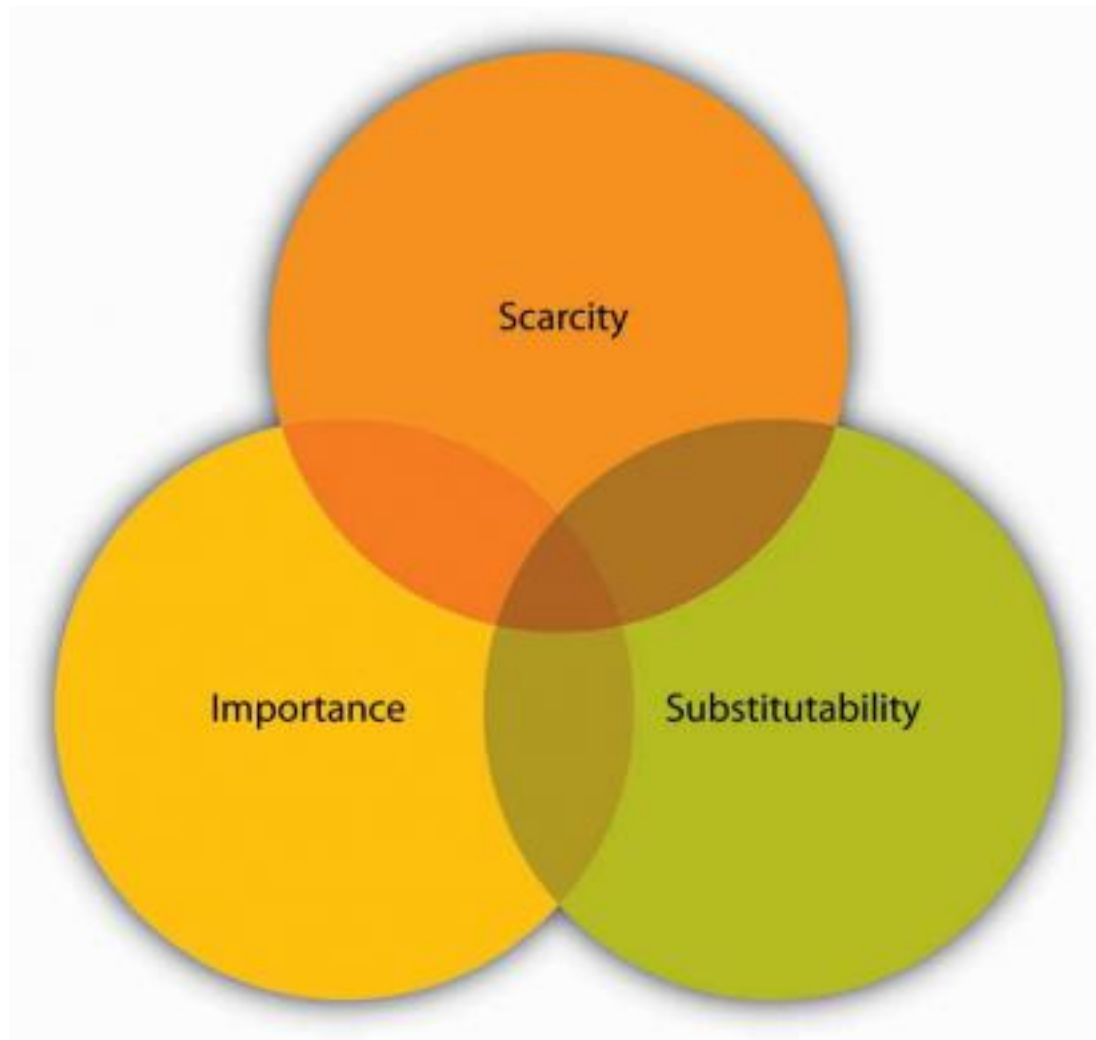
Possessing any of the three aspects of a resource could make others depend on you, two would make you extremely needed, and having all three could make you indispensable.

EXERCISES

1. What does the phrase "Power corrupts and absolute power corrupts absolutely" refer to? What experiences have you had that confirm or refute this assumption?

2. Thinking about the Milgram and Zimbardo studies, do you think you would behave the same or differently in those situations? Why or why not?

3. What lessons can be learned from the past studies of conformity to help avoid abuses of power in the future?

4. Give an example of someone who you are dependent upon. Think about how scarcity, importance, and substitutability affect this dependency.

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Section 2:
The Power to Influence

1. **Identify the five sources of power.**

2. **Understand influence tactics.**

3. **Learn about impression management.**

4. **Examine the impact of the direction of influence attempts.**

Bases of Power

Having power and using power are two different things. For example, imagine a manager who has the power to reward or punish employees. When the manager makes a request, he or she will probably be obeyed even though the manager does not actually reward the employee. The fact that the manager has the ability to give rewards and punishments will be enough for employees to follow the request. What are the sources of one's power over others? Researchers identified six sources of power, which include legitimate, reward, coercive, expert, information, and referent.[816] You might earn power from one source or all six depending on the situation. Let us take a look at each of these in turn, and continue with Steve Jobs from the opening case as our example.

Figure 13.5.

"I was just going to say, 'Well, I don't make the rules.' But, of course, I _do_ make the rules."

People who have legitimate power should be aware of how their choices and behaviors affect others.

Legitimate Power

Legitimate power is power that comes from one's organizational role or position. For example, a boss can assign projects, a policeman can arrest a citizen, and a teacher assigns grades. Others comply with the requests these individuals make because they accept the legitimacy of the position, whether they like or agree with the request or not. Steve Jobs has enjoyed legitimate power as the CEO of Apple. He could set deadlines and employees comply even if they think the deadlines were overly ambitious. Start-up organizations often have founders who use their legitimate power to influence individuals to work long hours week after week in order to help the company survive.

Reward Power

Reward power is the ability to grant a reward, such as an increase in pay, a perk, or an attractive job assignment. Reward power tends to accompany legitimate power and is highest when the reward is scarce. Anyone can wield reward power, however, in the form of public praise or giving someone something in exchange for their compliance. When Steve Jobs ran Apple, he had reward power in the form of raises and promotions. Another example of reward power comes from Bill Gross, founder of Idealab, who has the power to launch new companies or not. He created his company with the idea of launching other new companies as soon as they could develop viable ideas. If members could convince him that their ideas were viable, he gave the company a maximum of $250,000 in seed money, and gave the management team and employees a 30% stake in the company and the CEO 10% of the company. That way, everyone had a stake in the company. The CEO's salary was capped at $75,000 to maintain the sense of equity. When one of the companies, Citysearch, went public, all employees benefited from the $270 million valuation.

Coercive Power

In contrast, **coercive power** is the ability to take something away or punish someone for noncompliance. Coercive power often works through fear, and it forces people to do something that ordinarily they would not choose to do. The most extreme example of coercion is government dictators who threaten physical harm for noncompliance. Parents may also use coercion such as grounding their child as punishment for noncompliance. Steve Jobs has been known to use coercion—yelling at employees and threatening to fire them. When John Wiley & Sons Inc. published an unauthorized biography of Jobs, Jobs's response was to prohibit sales of all books from that publisher in any Apple retail store.[817] In other examples, John D. Rockefeller was ruthless when running Standard Oil Company. He not only undercut his competitors through pricing, but he used his coercive power to get railroads to refuse to transport his competitor's products. American presidents have been known to use coercion power. President Lyndon Baines Johnson once told a White House staffer, "Just you remember this. There's only two kinds at the White house. There's elephants and there's ants. And I'm the only elephant."[818]

Expert Power

Expert power comes from knowledge and skill. Steve Jobs has expert power from his ability to know what customers want—even before they can articulate it. Others who have expert power in an organization include long-time employees, such as a steelworker who knows the temperature combinations and length of time to get the best yields. Technology companies are often characterized by expert, rather than legitimate power. Many of these firms utilize a flat or matrix structure in which clear lines of legitimate power become blurred as everyone communicates with everyone else regardless of position.

Information Power

Information power is similar to expert power but differs in its source. Experts tend to have a vast amount of knowledge or skill, whereas information power is distinguished by *access* to specific information. For example, knowing price information gives a person information power during negotiations. Within organizations, a person's social network can either isolate them from information power or serve to create

it. As we will see later in this chapter, those who are able to span boundaries and serve to connect different parts of the organizations often have a great deal of information power. In the TV show *Mad Men*, which is set in the 1960s, it is clear that the switchboard operators have a great deal of information power as they place all calls and are able to listen in on all the phone conversations within the advertising firm.

Referent Power

Figure 13.6.

As the 44th elected president of the United States, Barack Obama has legitimate power. As commander-in-chief of the U.S. Armed Forces, he also has coercive power. His ability to appoint individuals to cabinet positions affords him reward power. Individuals differ on the degree to which they feel he has expert and referent power, as he received 52% of the popular vote in the 2008 election. Shortly after the election, he began to be briefed on national security issues, providing him with substantial information power as well.

Referent power stems from the personal characteristics of the person such as the degree to which we like, respect, and want to be like them. Referent power is often called ***charisma***—the ability to attract others, win their admiration, and hold them spellbound. Steve Jobs's influence as described in the opening case is an example of this charisma.

What Is Influence?

Starting at infancy, we all try to get others to do what we want. We learn early what works in getting us to our goals. Instead of crying and throwing a tantrum, we may figure out that smiling and using language causes everyone less stress and brings us the rewards we seek.

By the time you hit the workplace, you have had vast experience with influence techniques. You have probably picked out a few that you use most often. To be effective in a wide number of situations, however, it's best to expand your repertoire of skills and become competent in several techniques, knowing how and when to use them as well as understanding when they are being used on you. If you watch someone who is good at influencing others, you will most probably observe that person switching tactics depending on the context. The more tactics you have at your disposal, the more likely it is that you will achieve your influence goals.

Al Gore and many others have spent years trying to influence us to think about the changes in the environment and the implications of global warming. They speak, write, network, and lobby to get others to pay attention. But Gore, for example, does not stop there. He also works to persuade us with direct, action-based suggestions such as asking everyone to switch the kind of light bulbs they use, turn off appliances when not in use, drive vehicles with better fuel economy, and even take shorter showers. Ironically, Gore has more influence now as a private citizen regarding these issues than he was able to exert as a congressman, senator, and vice president of the United States.

OB Toolbox: Self-Assessment

Do You Have the Characteristics of Powerful Influencers?

People who are considered to be skilled influencers share the following attributes.

How often do you engage in them? 0 = never, 1= sometimes, 2 = always.

- present information that can be checked for accuracy

- provide a consistent message that does not change from situation to situation

- display authority and enthusiasm (often described as charisma)

- offer something in return for compliance

- act likable

- show empathy through listening

- show you are aware of circumstances, others, and yourself

- plan ahead

Commonly Used Influence Tactics

Figure 13.7. Influence Tactics Use and Outcomes[819]

	Frequency of Use	Resistance	Compliance	Commitment
Rational persuasion	54%	47%	30%	23%
Legitimating	13%	44%	56%	0%
Personal appeals	7%	25%	33%	42%
Exchange	7%	24%	41%	35%
Ingratiation	6%	41%	28%	31%
Pressure	6%	56%	41%	3%
Coalitions	3%	53%	44%	3%
Inspirational appeals	2%	0%	10%	90%
Consultation	2%	18%	27%	55%

Researchers have identified distinct influence tactics and discovered that there are few differences between the way bosses, subordinates, and peers use them, which we will discuss at greater depth later on in this chapter. We will focus on nine influence tactics. Responses to influence attempts include resistance, compliance, or commitment. **Resistance** occurs when the influence target does not wish to comply with the request and either passively or actively repels the influence attempt. **Compliance** occurs when the target does not necessarily want to obey, but they do. **Commitment** occurs when the target not only agrees to the request but also actively supports it as well. Within organizations, commitment helps to get things done, because others can help to keep initiatives alive long after compliant changes have been made or resistance has been overcome.

1. **Rational persuasion** includes using facts, data, and logical arguments to try to convince others that your point of view is the best alternative. This is the most commonly applied influence tactic. One experiment illustrates the power of reason. People were lined up at a copy machine and another person,

after joining the line asked, "May I go to the head of the line?" Amazingly, 63% of the people in the line agreed to let the requester jump ahead. When the line jumper makes a slight change in the request by asking, "May I go to the head of the line because I have copies to make?" the number of people who agreed jumped to over 90%. The word *because* was the only difference. Effective rational persuasion includes the presentation of factual information that is clear and specific, relevant, and timely. Across studies summarized in a meta-analysis, rationality was related to positive work outcomes.[820]

2. ***Inspirational appeals*** seek to tap into our values, emotions, and beliefs to gain support for a request or course of action. When President John F. Kennedy said, "Ask not what your country can do for you, ask what you can do for your country," he appealed to the higher selves of an entire nation. Effective inspirational appeals are authentic, personal, big-thinking, and enthusiastic.

3. ***Consultation*** refers to the influence agent's asking others for help in directly influencing or planning to influence another person or group. Consultation is most effective in organizations and cultures that value democratic decision making.

4. ***Ingratiation*** refers to different forms of making others feel good about themselves. Ingratiation includes any form of flattery done either before or during the influence attempt. Research shows that ingratiation can affect individuals. For example, in a study of résumés, those résumés that were accompanied with a cover letter containing ingratiating information were rated higher than résumés without this information. Other than the cover letter accompanying them, the résumés were identical.[821] Effective ingratiation is honest, infrequent, and well intended.

5. ***Personal appeal*** refers to helping another person because you like them and they asked for your help. We enjoy saying yes to people we know and like. A famous psychological experiment showed that in dorms, the most well-liked people were those who lived by the stairwell—they were the most often seen by others who entered and left the hallway. The repeated contact brought a level of familiarity and comfort. Therefore, personal appeals are most effective with people who know and like you.

6. ***Exchange*** refers to give-and-take in which someone does something for you, and you do something for them in return. The rule of reciprocation says that "we should try to repay, in kind, what another person has provided us."[822] The application of the rule obliges us and makes us indebted to the giver. One experiment illustrates how a small initial gift can open people to a substantially larger request at a later time. One group of subjects was given a bottle of Coke. Later, all subjects were asked to buy raffle tickets. On the average, people who had been given the drink bought twice as many raffle tickets as those who had not been given the unsolicited drinks.

7. ***Coalition tactics*** refer to a group of individuals working together toward a common goal to influence others. Common examples of coalitions within organizations are unions that may threaten to strike if their demands are not met. Coalitions also take advantage of peer pressure. The influencer tries to build a case by bringing in the unseen as allies to convince someone to think, feel, or do something. A well-known psychology experiment draws upon this tactic. The experimenters stare at the top of a building in the middle of a busy street. Within moments, people who were walking by in a hurry stop and also look at the top of the building, trying to figure out what the others are looking at. When the experimenters leave, the

pattern continues, often for hours. This tactic is also extremely popular among advertisers and businesses that use client lists to promote their goods and services. The fact that a client bought from the company is a silent testimonial.

8. ***Pressure*** refers to exerting undue influence on someone to do what you want or else something undesirable will occur. This often includes threats and frequent interactions until the target agrees. Research shows that managers with low referent power tend to use pressure tactics more frequently than those with higher referent power.[823] Pressure tactics are most effective when used in a crisis situation and when they come from someone who has the other's best interests in mind, such as getting an employee to an employee assistance program to deal with a substance abuse problem.

9. ***Legitimating tactics*** occur when the appeal is based on legitimate or position power. "By the power vested in me…": This tactic relies upon compliance with rules, laws, and regulations. It is not intended to motivate people but to align them behind a direction. Obedience to authority is filled with both positive and negative images. Position, title, knowledge, experience, and demeanor grant authority, and it is easy to see how it can be abused. If someone hides behind people's rightful authority to assert themselves, it can seem heavy-handed and without choice. You must come across as an authority figure by the way you act, speak, and look. Think about the number of commercials with doctors, lawyers, and other professionals who look and sound the part, even if they are actors. People want to be convinced that the person is an authority worth heeding. Authority is often used as a last resort. If it does not work, you will not have much else to draw from in your goal to persuade someone.

From the Best-Seller's List: Making OB Connections

You can make more friends in two months by becoming interested in other people than you can in two years by trying to get other people interested in you.

--Dale Carnegie

Figure 13.8.

How to Make Friends and Influence People was written by Dale Carnegie in 1936 and has sold millions of copies worldwide. While this book first appeared over 70 years ago, the recommendations still make a great deal of sense regarding power and influence in modern-day organizations. For example, he recommends that in order to get others to like you, you should remember six things:

1. Become genuinely interested in other people.

2. Smile.

3. Remember that a person's name is to that person the sweetest and most important sound in any language.

4. Be a good listener. Encourage others to talk about themselves.

5. Talk in terms of the other person's interests.

6. Make the other person feel important—and do it sincerely.

This book relates to power and politics in a number of important ways. Carnegie specifically deals with enhancing referent power. Referent power grows if others like, respect, and admire you. Referent power is more effective than formal power bases and is positively related to employees' satisfaction with supervision, organizational commitment, and performance. One of the keys to these recommendations is to engage in them in a genuine manner. This can be the difference between being seen as political versus understanding politics.

Impression Management

Impression management means actively shaping the way you are perceived by others. You can do this through your choice of clothing, the avatars or photos you use to represent yourself online, the descriptions of yourself on a résumé or in an online profile, and so forth. By using impression management strategies, you control information that make others see you in the way you want to be seen. Consider when you are "being yourself" with your friends or with your family—you probably act differently around your best friend than around your mother.[824]

On the job, the most effective approach to impression management is to do two things at once—build credibility and maintain authenticity. As Harvard Business School Professor Laura Morgan Roberts puts it, "When you present yourself in a manner that is both true to self and valued and believed by others, impression management can yield a host of favorable outcomes for you, your team, and your organization."[825]

There may be aspects of your "true self" that you choose not to disclose at work, although you would disclose them to your close friends. That kind of impression management may help to achieve group cohesiveness and meet professional expectations. But if you try to win social approval at work by being too different from your true self—contradicting your personal values—you might feel psychological distress.

It's important to keep in mind that whether you're actively managing your professional image or not, your coworkers are forming impressions of you. They watch your behavior and draw conclusions about the kind

of person you are, whether you'll keep your word, whether you'll stay to finish a task, and how you'll react in a difficult situation.

Since people are forming these theories about you no matter what, you should take charge of managing their impressions of you. To do this, ask yourself how you want to be seen. What qualities or character traits do you want to convey? Perhaps it's a can-do attitude, an ability to mediate, an ability to make a decision, or an ability to dig into details to thoroughly understand and solve a problem.

Then, ask yourself what the professional expectations are of you and what aspects of your social identity you want to emphasize or minimize in your interactions with others. If you want to be seen as a leader, you might disclose how you organized an event. If you want to be seen as a caring person in whom people can confide, you might disclose that you're a volunteer on a crisis helpline. You can use a variety of impression management strategies to accomplish the outcomes you want.

Here are the three main categories of strategies and examples of each:

- **Nonverbal impression management** includes the clothes you choose to wear and your demeanor. An example of a nonverbal signal is body art, including piercings and tattoos. While the number of people in the United States who have body art has risen from 1% in 1976 to 24% in 2006, it can hold you back at work. Vault.com did a survey and found that 58% of the managers they surveyed said they would be less likely to hire someone with visible body art, and over 75% of respondents felt body art was unprofessional. Given these numbers, it should not be surprising that 67% of employees say they conceal body art while they are at work.[826]

- **Verbal impression management** includes your tone of voice, rate of speech, what you choose to say and how you say it. We know that 38% of the comprehension of verbal communication comes from these cues. Managing how you project yourself in this way can alter the impression that others have of you. For example, if your voice has a high pitch and it is shaky, others may assume that you are nervous or unsure of yourself.

- **Behavior impression management** includes how you perform on the job and how you interact with others. Complimenting your boss is an example of a behavior that would indicate impression management. Other impression management behaviors include conforming, making excuses, apologizing, promoting your skills, doing favors, and making desirable associations known. Impression management has been shown to be related to higher performance ratings by increasing liking, perceived similarity, and network centrality.[827]

Figure 13.9.

Impression management includes how a person dresses, how they stand, and the way they behave at work.

Research shows that impression management occurs throughout the workplace. It is especially salient when it comes to job interviews and promotional contexts. Research shows that structured interviews suffer from less impression management bias than unstructured interviews, and that longer interviews lead to a lessening of the effects as well.[828]

Direction of Influence

The type of influence tactic used tends to vary based on the target. For example, you would probably use different influence tactics with your boss than you would with a peer or with employees working under you.

Upward Influence

Upward influence, as its name implies, is the ability to influence your boss and others in positions higher than yours. Upward influence may include appealing to a higher authority or citing the firm's goals as an overarching reason for others to follow your cause. Upward influence can also take the form of an alliance with a higher status person (or with the perception that there is such an alliance).[829] As complexity grows, the need for this upward influence grows as well—the ability of one person at the top to know enough to make all the decisions becomes less likely. Moreover, even if someone did know enough, the sheer ability to make all the needed decisions fast enough is no longer possible. This limitation means that individuals at all levels of the organization need to be able to make and influence decisions. By helping

higher-ups be more effective, employees can gain more power for themselves and their unit as well. On the flip side, allowing yourself to be influenced by those reporting to you may build your credibility and power as a leader who listens. Then, during a time when you do need to take unilateral, decisive action, others will be more likely to give you the benefit of the doubt and follow. Both Asian American and Caucasian American managers report using different tactics with superiors than those used with their subordinates.[830] Managers reported using coalitions and rationality with managers and assertiveness with subordinates. Other research establishes that subordinates' use of rationality, assertiveness, and reciprocal exchange was related to more favorable outcomes such as promotions and raises, while self-promotion led to more negative outcomes.[831]

Influence takes place even before employees are hired. For example, ingratiation and rationality were used frequently by fire fighters during interviews.[832] Extraverts tend to engage in a greater use of self-promotion tactics while interviewing, and research shows that extraverts are more likely to use inspirational appeal and ingratiation as influence tactics.[833] Research shows that ingratiation was positively related to perceived fit with the organization and recruiters' hiring recommendations.[834]

Downward Influence

Downward influence is the ability to influence employees lower than you. This is best achieved through an inspiring vision. By articulating a clear vision, you help people see the end goal and move toward it. You often don't need to specify exactly what needs to be done to get there—people will be able to figure it out on their own. An inspiring vision builds buy-in and gets people moving in the same direction. Research conducted within large savings banks shows that managers can learn to be more effective at influence attempts. The experimental group of managers received a feedback report and went through a workshop to help them become more effective in their influence attempts. The control group of managers received no feedback on their prior influence attempts. When subordinates were asked 3 months later to evaluate potential changes in their managers' behavior, the experimental group had much higher ratings of the appropriate use of influence.[835] Research also shows that the better the quality of the relationship between the subordinate and their supervisor, the more positively resistance to influence attempts are seen.[836] In other words, bosses who like their employees are less likely to interpret resistance as a problem.

Peer Influence

Peer influence occurs all the time. But, to be effective within organizations, peers need to be willing to influence each other without being destructively competitive.[837] There are times to support each other and times to challenge—the end goal is to create better decisions and results for the organization and to hold each other accountable. Executives spend a great deal of their time working to influence other executives to support their initiatives. Research shows that across all functional groups of executives, finance or human resources as an example, rational persuasion is the most frequently used influence tactic.[838]

OB Toolbox: Getting Comfortable With Power

Now that you've learned a great deal about power and influence within organizations, consider asking yourself how comfortable you are with the three statements below:

Discomfort with power reduces your power. Experts know that leaders need to feel comfortable with power. Those who feel uncomfortable with power send those signals out unconsciously. If you feel uncomfortable with power, consider putting the statement in a shared positive light by saying, "I want to be powerful so that we can accomplish this goal."

KEY TAKEAWAY

Individuals have six potential sources of power, including legitimate, reward, coercive, expert, information, and referent power. Influence tactics are the way that individuals attempt to influence one another in organizations. Rational persuasion is the most frequently used influence tactic, although it is frequently met with resistance. Inspirational appeals result in commitment 90% of the time, but the tactic is utilized only 2% of the time. The other tactics include legitimizing, personal appeals, exchanges, ingratiation, pressure, forming coalitions, and consultation. Impression management behaviors include conforming, making excuses, apologizing, promoting your skills, doing favors, and making associations with desirable others known. Influence attempts may be upward, downward, or lateral in nature.

EXERCISES

1. Which of the six bases of power do you usually draw upon? Which do you use the least of at this time?

2. Distinguish between coercive and reward power.

3. Which tactics seem to be the most effective? Explain your answer.

4. Why do you think rational persuasion is the most frequently utilized influence tactic?

5. Give an example of someone you've tried to influence lately. Was it an upward, downward, or lateral influence attempt?

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Section 3: Organizational Politics

LEARNING OBJECTIVES

1. **Understand what organizational politics are.**

2. **Examine political behavior within organizations.**

Organizational Politics

Organizational politics are informal, unofficial, and sometimes behind-the-scenes efforts to sell ideas, influence an organization, increase power, or achieve other targeted objectives.[839] Politics has been around

for millennia. Aristotle wrote that politics stems from a diversity of interests, and those competing interests must be resolved in some way. "Rational" decision making alone may not work when interests are fundamentally incongruent, so political behaviors and influence tactics arise.

Today, work in organizations requires skill in handling conflicting agendas and shifting power bases. Effective politics isn't about winning at all costs but about maintaining relationships while achieving results. Although often portrayed negatively, organizational politics are not inherently bad. Instead, it's important to be aware of the potentially destructive aspects of organizational politics in order to minimize their negative effect. Of course, individuals within organizations can waste time overly engaging in political behavior. Research reported in *HR Magazine* found that managers waste 20% of their time managing politics. However, as John Kotter wrote in *Power and Influence*, "Without political awareness and skill, we face the inevitable prospect of becoming immersed in bureaucratic infighting, parochial politics and destructive power struggles, which greatly retard organizational initiative, innovation, morale, and performance."[840]

In our discussion about power, we saw that power issues often arise around scarce resources. Organizations typically have limited resources that must be allocated in some way. Individuals and groups within the organization may disagree about how those resources should be allocated, so they may naturally seek to gain those resources for themselves or for their interest groups, which gives rise to organizational politics. Simply put, with organizational politics, individuals ally themselves with like-minded others in an attempt to win the scarce resources. They'll engage in behavior typically seen in government organizations, such as bargaining, negotiating, alliance building, and resolving conflicting interests.

Politics are a part of organizational life, because organizations are made up of different interests that need to be aligned. In fact, 93% of managers surveyed reported that workplace politics exist in their organization, and 70% felt that in order to be successful, a person has to engage in politics.[841] In the negative light, saying that someone is "political" generally stirs up images of back-room dealing, manipulation, or hidden agendas for personal gain. A person engaging in these types of political behaviors is said to be engaging in self-serving behavior that is not sanctioned by the organization.[842]

Examples of these self-serving behaviors include bypassing the chain of command to get approval for a special project, going through improper channels to obtain special favors, or lobbying high-level managers just before they make a promotion decision. These types of actions undermine fairness in the organization, because not everyone engages in politicking to meet their own objectives. Those who follow proper procedures often feel jealous and resentful because they perceive unfair distributions of the organization's resources, including rewards and recognition.[843]

Researchers have found that if employees think their organization is overly driven by politics, the employees are less committed to the organization,[844] have lower job satisfaction,[845] perform worse on the job,[846] have higher levels of job anxiety,[847] and have a higher incidence of depressed mood.[848]

The negative side of organizational politics is more likely to flare up in times of organizational change or when there are difficult decisions to be made and a scarcity of resources that breeds competition among organizational groups. To minimize overly political behavior, company leaders can provide equal access to information, model collaborative behavior, and demonstrate that political maneuvering will not be rewarded

or tolerated. Furthermore, leaders should encourage managers throughout the organization to provide high levels of feedback to employees about their performance. High levels of feedback reduce the perception of organizational politics and improve employee morale and work performance.[849] Remember that politics can be a healthy way to get things done within organizations.
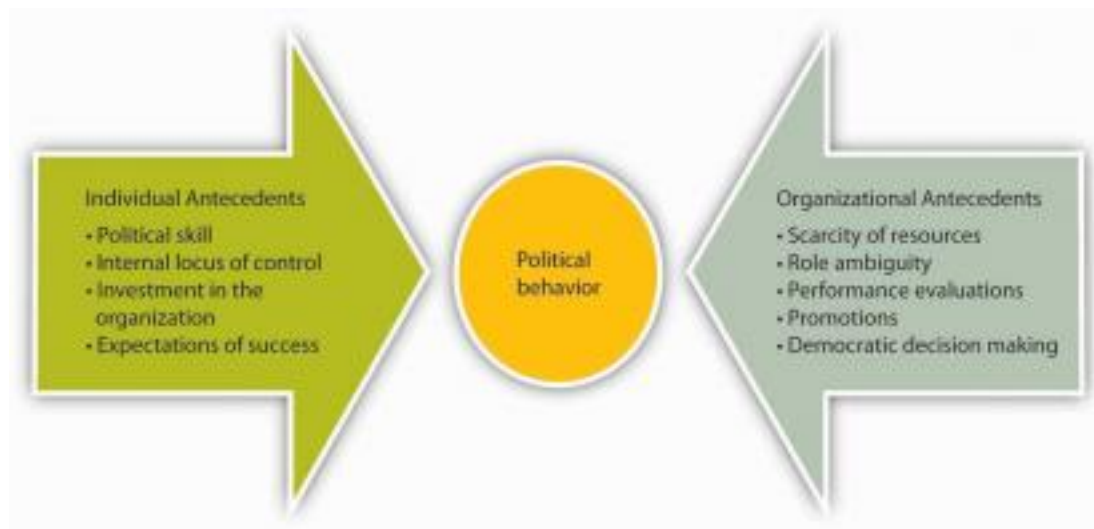
Antecedents of Political Behavior

Individual Antecedents

There are a number of potential individual antecedents of political behavior. We will start off by understanding the role that personality has in shaping whether someone will engage in political behavior.

Political skill refers to peoples' interpersonal style, including their ability to relate well to others, self-monitor, alter their reactions depending upon the situation they are in, and inspire confidence and trust.[850] Researchers have found that individuals who are high on political skill are more effective at their jobs or at least in influencing their supervisors' performance ratings of them.[851] Individuals who are high in *internal locus of control* believe that they can make a difference in organizational outcomes. They do not leave things to fate. Therefore, we would expect those high in internal locus of control to engage in more political behavior. Research shows that these individuals perceive politics around them to a greater degree.[852] *Investment in the organization* is also related to political behavior. If a person is highly invested in an organization either financially or emotionally, they will be more likely to engage in political behavior because they care deeply about the fate of the organization. Finally, *expectations of success* also matter. When a person expects that they will be successful in changing an outcome, they are more likely to engage in political behavior. Think about it: If you know there is no chance that you can influence an outcome, why would you spend your valuable time and resources working to effect change? You wouldn't. Over time you'd learn to live with the outcomes rather than trying to change them.[853]

Figure 13.10.

Individual and organizational antecedents can both lead to political behavior.

Organizational Antecedents

Scarcity of resources breeds politics. When resources such as monetary incentives or promotions are limited, people see the organization as more political. Any type of ambiguity can relate to greater organizational politics. For example, *role ambiguity* allows individuals to negotiate and redefine their roles. This freedom can become a political process. Research shows that when people do not feel clear about their job responsibilities, they perceive the organization as more political.[854] Ambiguity also exists around *performance evaluations* and *promotions*. These human resource practices can lead to greater political behavior, such as impression management, throughout the organization. As you might imagine, *democratic decision making* leads to more political behavior. Since many people have a say in the process of making decisions, there are more people available to be influenced.

KEY TAKEAWAY

Organizational politics is a natural part of organizational life. Organizations that are driven by unhealthy levels of political behavior suffer from lowered employee organizational commitment, job satisfaction, and performance as well as higher levels of job anxiety and depression. Individual antecedents of political behavior include political skill, internal locus of control, high investment in the organization, and expectations of success. Organizational antecedents include scarcity of resources, role ambiguity, frequent performance evaluations and promotions, and democratic decision making.

1. Do you think politics are a positive or negative thing for organizations? Why?

2. Describe an example of a negative outcome due to politics.

3. Describe an example of a positive outcome due to politics.

4. Can you think of additional individual or organizational antecedents of political behavior?

5. What political behaviors have you observed within school groups or your workplace? Were they successful? Why or why not?

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Section 4:
Understanding Social Networks

LEARNING OBJECTIVES

1. **Learn what social networks are.**

Social Networks

We've seen that power comes from many sources. One major source relates to who you know and how much access you have to information within your organization. **Social networks** are visual maps of relationships between individuals. They are vital parts of organizational life as well as important when you are first looking for a job. For example, if you are interested in being hired by Proctor & Gamble, you might call upon your social network—the network of people you know—to find the people who can help you accomplish this task. You might ask your network if they know anyone at Proctor & Gamble. If you did so, the people you'd call on aren't just your friends and family—they're part of your informal network. In fact, research finds that 75% to 95% of all jobs are never formally advertised but are filled through such social networks.[855]

Much of the work that gets done in organizations is done through informal networks as well. Networks serve three important functions. First, they deliver private information. Second, they allow individuals to gain access to diverse skills sets. Third, they can help create power.

Organizations can conduct a **social network analysis (SNA)**, a systematic effort to examine the structure of social relationships in a group. Their purpose is to uncover the informal connections between people. SNA dates back to 1934 when Joseph Moreno introduced the tools of sociometry. More recently, the advent of computers has made SNA possible on large networks. In the past decade, SNA has become widely used across fields.

Conducting SNA

SNA can be conducted either directly or indirectly. The indirect way is to analyze e-mails between people. For example, which employees e-mail each other? How often? Who replies to whom? Another technique is to observe a group in action to see which employees talk to each other and who approaches whom for what. Additional, nonintrusive options are to look at project structures of billable hours such as determining which individuals regularly work together. Direct approaches to SNA involve doing a survey that asks questions directly.[856] For example, the survey might ask individuals, "Who would you go to for technical information? Who can you rely on to give you the pulse of the company? Who do you trust to keep your best interests in mind?" SNA can reveal who is trusted, important in decision making (that is, to whom do people turn for advice before making an important decision?), and innovative ("With whom are you most likely to discuss a new idea?"). The direct approach is likely to be more targeted, but some people may see it as an unwanted intrusion.

Analyzing Network Ties and Key Network Roles

Once the data is collected, SNA software is used to create the maps for analysis. The maps draw incoming and outgoing arrows between people to show the number of ties coming into a person (contacts that the person receives) and the number of ties outgoing (contacts that the person initiates). There are three key roles in a network. **Central connectors** are people linked to the greatest number of people. **Boundary**

spanners are people who connect one network to another within the company or even across organizations. *Peripheral specialists* have special expertise that can be drawn upon even though they often work independently of the group.

Analysis: Strong and Weak Ties

You can recognize the strength of ties between people by counting the frequency of ties. The more interactions people have, the stronger the ties those individuals have with each other. **Strong ties** often indicate emotional support, not just informational support between people. Ties that are reciprocated tend to be stronger as well. **Weak ties** are characterized by less frequent interaction and often do not have as much emotional attachment, but they are also easier to maintain, and therefore people can have more of them. Weak ties are particularly useful for innovation, because people who are good friends tend to see the same information, whereas people who are merely acquaintances are likely to be exposed to different information. Thus, a casual encounter may spark that creative idea. Social networks tend to be informal, but by doing an SNA, the company can harness their power to help improve communication throughout the company (such as by making sure people have the information to share) and to help generate and spread innovation (by giving information to the boundary-spanning people who will pass it on beyond their work group). Social networks serve to promote collaboration, improve new product development, and respond to emergencies or unusual circumstances quickly.[857]

Figure 13.11.

Mark Zuckerberg, cofounder of Facebook, helped to bring social networking to thousands of individuals.

Social networks connect people with others. Consider networking Web sites such as Facebook or LinkedIn, where being connected with many people makes you more visible. This is becoming more and more salient as 80% of 12- to 17-year-olds use MySpace at least weekly, and over 40,000 MySpace groups are devoted to companies and colleagues.[858] In business, the more central you are, the more power you will have. The closer you are to more people, the more powerful you are.[859] If you are the person who many people link to and you serve as a node between people, you have brokering power—you can introduce people to each other. People high on this "betweenness" are also in a position to withhold information from one person to the next, which can happen during power plays. You also have a greater number of people to call on when you need something, which makes you less dependent on any one person. The more ties you have that are incoming (toward you), the more trusted you are.

Social network analysis shows who communicates with whom, who knows whom, and where gaps in communication or collaboration may exist. After conducting a network analysis, organizations can take actions to modify people's roles or responsibilities in ways that improve communication or diffuse innovation throughout the organization more effectively by putting people or departments in touch with each other.

Building Your Own Network

Figure 13.12.

Doing social things such as playing golf or tennis outside work is one way to help build your social network.

There are several simple steps you can take to help build your own social network. For example, you can go to lunch with someone new. You can also try to do more to encourage, help, and share with others. You can seek information outside your own class or work group. You can spend time with people from work outside work. All these suggestions are effective ways to naturally build your social network.

KEY TAKEAWAY

Social networks make up a key part of organizations. A social network analysis (SNA) involves tracing who interacts with whom. Central connectors have a large number of contacts. Boundary spanners connect to several networks of people. Peripheral specialists often work independently. Strong and weak ties can both be helpful for gathering information and building one's network.

EXERCISES

1. Have you ever thought about your own social network before? What do you think about it now?

2. Do you think the direct or indirect approach to doing a social network analysis is the most accurate?

3. Do you think it is ethical to play golf or tennis with coworkers to build your social network? Why or why not?

4. How have computers influenced social networking?

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[855] Hansen, K. (2008). *A foot in the door: Networking your way into the hidden job market*. Berkeley, CA: Ten Speed Press.

[856] Cross, R., Parker, A., Prusak, L., & Borgatti, S. P. (2001). Knowing what we know: Supporting knowledge creation and sharing in social networks. *Organizational Dynamics 30*(2), 100–120.

[857] Cross, R., Liedtka, J., & Weiss, L. (2005). *A practical guide to social networks*. *Harvard Business Review*, *83*(3), 124–132.

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Section 5:

The Role of Ethics and National Culture

L E A R N I N G   O B J E C T I V E S

1. Consider the role of ethics and power.

2. Consider the role of national culture on power.

Ethics and Power

Power brings a special need for ethics, because the circumstances of power make it easy for misuse to occur. As we have seen, a company president wields at least three sources of power: legitimate from the position they hold, coercive from the ability to fire employees, and reward such as the ability to give raises and perks. Expert power and referent power often enter the mix as well. Now take the example of setting the CEO's pay. In a public company, the CEO presumably has to answer to the board of directors and the shareholders. But what if the CEO appoints many of the people on the board? What if the board and the CEO are friends? Consider the case of Richard Grasso, former chairman of the New York Stock Exchange (NYSE), whose compensation was $140 million plus another $48 million in retirement benefits. At that time, the average starting salary of a trader on the NYSE was $90,000, so Grasso was being paid 1,555 times more than a starting employee. The NYSE Board of Directors approved Grasso's payment package, but many of the board members had been appointed to their positions by Grasso himself. What's more, the NYSE's function is to regulate publicly traded companies. As Hartman and Desjardins noted, "The companies being regulated by the NYSE were the very same companies that were paying Grasso."[860] Grasso ultimately resigned amid public criticism but kept the $140 million. Other CEOs have not faced the same outcry, even though average CEO pay increased 200% to 400% during the same time period that average worker pay increased only 4.3%.[861] Some CEOs have earned a great deal of respect by limiting what they are paid. For example, Japan Airlines CEO Haruka Nishimatsu earns the equivalent to $90,000 per year while running the 10th largest airline in the world. In addition, he rides the bus to work and eats in the company cafeteria with everyone else.[862]

Video Connection: Haruka Nishimatsu

If you are interested in learning more about CEO Haruka Nishimatsu, view this CBS News video segment, available at the following Web site:

http://www.cbsnews.com/video/watch/?id=4761187n

Figure 13.13.

Power Around the Globe

Power also has a cultural dimension. In some countries, power is centralized in the hands of a few. This type of distribution makes up high power distance countries. Within organizations in these countries, the structure is hierarchical, and compensation is based on your position in the hierarchy. People in high power distance countries expect unequal distribution of power, such as large differences in pay and status.[863] People in positions of authority in these countries expect (and receive) obedience. In Brazil, for example, there are formal relationships between the leader and followers, and it's clear who has the most power in any given work environment. Important decisions, including decisions on hiring and raises, are made by the person in charge, and decisions are often based on loyalty rather than on formal review mechanisms. Japan is also a higher power distant country and has unequal power and wealth among its citizens. But, people do not perceive this inequity as inherently wrong; rather, they accept it as their cultural heritage. Other examples of high power distance countries include the Arab nations, the Philippines, Venezuela, and Spain.

Countries with a low power distance rating, such as Australia, the Netherlands, and Sweden, value cooperative interaction across power levels. They emphasize equality and opportunity for everyone. For example, Australians want their leaders to be achievement-oriented, visionary, and inspirational, but they don't want their leaders to stand out too much. Leaders need to be seen as "one of us."[864] Organizational structures in low power distance countries are flatter with higher worker involvement. Status is based on achievement rather than class distinction or birth. People in power cannot arbitrarily hire their relatives or reward those loyal to them. There are formal review mechanisms in place to give everyone a fair chance at pay raises, and the difference in pay between high-level and lower level jobs is smaller.

These differences in perceptions of power become especially important in international ventures in which people of different countries work together. For example, in a joint venture between an American and a Mexican company, American managers were continually frustrated with what they perceived to be slow decision making by Mexican managers. Even the e-mails sent to the Mexican subsidiary were taking a long time to be answered. Mexico ranks higher on the power distance dimension than the United States— company structures are more hierarchical, and decisions are made only by top managers; therefore, lower

level managers in Mexico could not make decisions on behalf of their bosses. In the case of e-mails, employees were consulting with their managers before answering each e-mail, taking a long time to answer them.

In addition to differing perceptions of power, how people influence each other seems to be determined by culture. Cross-cultural research shows that the more task-oriented influence tactics, such as rational persuasion, are seen as more effective in the United States than in China, and that Chinese managers rated tactics involving relationships such as coalitions as more effective than did the American managers.[865]

KEY TAKEAWAY

Power can be easily abused. This is especially the case of CEOs who are rewarded by a board of directors that is often staffed by trusted friends and colleagues of the CEO. It is not hard to imagine that this might become a conflict of interest. Countries differ in terms of power distance. Some countries such as Brazil see a formal relationship between leaders and followers based on a rigid hierarchy.

EXERCISES

1. What could be done to make sure that CEOs are paid fairly for their work rather than as a favor from their friends?

2. What is some advice about power that you would give to a colleague who was leaving to China to set up a new business?

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[860] Hartman, L., & Desjardins, J. (2008). *Business ethics*. New York: McGraw-Hill, p. 43.

[861] CEO paycharts. (2005). Retrieved January 4, 2008, from the *Fair Economy* Web site:http://www.faireconomy.org/issues/ceo_pay.

[862] Petersen, B. (2009, January 28). Japan Airline boss sets exec example. *CBS Evening News*. Retrieved January 28, 2009, fromhttp://www.cbsnews.com/stories/2009/01/28/eveningnews/main4761136.shtml.

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[865] Fu, P. P., & Yukl, G. (2000). Perceived effectiveness of influence tactics in the United States and China. *Leadership Quarterly*, *11*, 251–266; Yukl, G., Fu, P. P., & McDonald, R. (2003). Cross-cultural differences in perceived effectiveness of influence tactics for initiating or resisting change. *Applied Psychology: An International Review*, *52*, 68–82.

Getting Connected: The Case of Social Networking

Figure 13.14.

Networking has the potential to open doors and create possibilities for jobs and partnerships. Networking establishes connections between individuals and access to information that one might not normally have access to. Reaching out to strangers can be an intimidating and nerve-racking experience. In business, the more central you are, the more power you have. Creating connections and ties to other people affords you the opportunity for power and the ability to more closely control your future, so while at times networking might feel awkward and uncomfortable, it is a necessary and important part of establishing and maintaining a career.

Online social networking sites play an important role in this networking process for individuals both professionally and personally. With 1,200 employees in 2010, Facebook has 350 million users around the world, and LinkedIn has over 60 million members in over 200 countries. A new member joins LinkedIn every second, and about half of the members are outside the United States. These online sites have created new opportunities for networking and allow individuals to branch out beyond their normal world of industry, school, and business. The key is to avoid costly missteps as employers have begun to search online for information about prospective and current employees. In 2009, 8% of companies reported that they had fired an employee for misuse of social media.

Many of these online sites have become a tool for business. For example, LinkedIn targets working professionals and provides them a way to maintain lists of business connections and to use those connections to gain introduction to people using mutual contacts. Unlike other social networking sites, LinkedIn is almost entirely used

by professionals. The power of social networking flows in both directions. Employers can screen applicants through their online accounts and recruiters more than ever are using these sites to view background information, individual skill sets, and employment history, which can be cross-referenced with submitted applications. Job seekers can review the profiles of those at top management firms and search for mutual contacts. LinkedIn also provides statistics about firms, which can be useful information for individuals looking at potential employers.

Networking is about building your brand and managing relationships. Using social networks as a vehicle to market one's self and make professional connections is becoming increasingly common, as well as using loose ties or connections through others to open doors and land jobs. In an increasingly high-tech and digital world, it is important to be aware and conscience of the digital footprint that we create. But with careful cultivation these online networks can present many opportunities.

DISCUSSION QUESTIONS

1. How is online networking different from or similar to in-person networking? Please describe your experience with both.

2. What are the downfalls and benefits of social networking?

3. In what ways are indirect ties as powerful and important as direct ties?

4. To what extent have you built your own brand? Is this something that you have ever considered before?

Conclusion

Power and politics in organizations are common. In most cases, each concept is necessary and executed with skill and precision. Unfortunately, power can lead to conformity from those around us, and this occurring conformity can breed corruption. The amount of power you have has strong ties to how much others depend on you. If you are deemed a valuable resource within an organization, then you are able to wield that dependability to make demands and get others to do what you want. Besides having an innate or acquired control over particular resources, there are several social aspects of power to draw on.

Methods for obtaining more power in an organization can often lead to political behaviors. As one person seeks to influence another to support an idea, politics begins to play out. Though necessary in some instances, many people that follow the rules see the politics of an organization as resulting in an unfair distribution of resources. Still others, despite understanding the politics of a given organization, see it as an unnecessary time consumer.

Politics, influence, and power can often reside within your social network. When an individual is core to a social structure, they will often have some degree of control over others. Social networks can also help you acquire jobs, make beneficial connections, and generally make like easier. It is often a good idea to analyze your social network and determine if it needs to be strengthened or tailored.

Exercises

It is two days before your performance appraisal. Your performance this quarter has been less than desirable. You came close to reaching your sales targets, but you did not meet them, and you are hoping to still get the merit pay raise to be determined as a result of your performance appraisal. You do not really like your manager, but you are hoping to advance in this company, and being on your manager's good side may be a good idea both for your current performance appraisal and for your future in this company.

- You are now at a meeting with your manager and a group of employees. Your manager is giving financial information to all employees about different markets. Yet, some of this information is inaccurate, which could lead to wrong pricing decisions and loss of money by the company. If you correct him, though, he would most likely get upset with you because he does not like being corrected. Would you correct him? How and when?

- Today is also the day on which your manager's boss is collecting information about your manager's leadership style, so that they can give him a 360-degree appraisal. They assure you that your comments about your manager will remain confidential, but the nature of your thoughts is such that he probably would guess you are the person who made those comments. Specifically, you think that your manager takes offense easily, has a bad temper, and could be more effective in time management. Would you share your thoughts with your manager's manager?

- You are now at the coffee shop and grabbing a cup of coffee and some pastries. You notice that they have almond coffee cake, which is your manager's favorite. Would you pick some up for your manager?
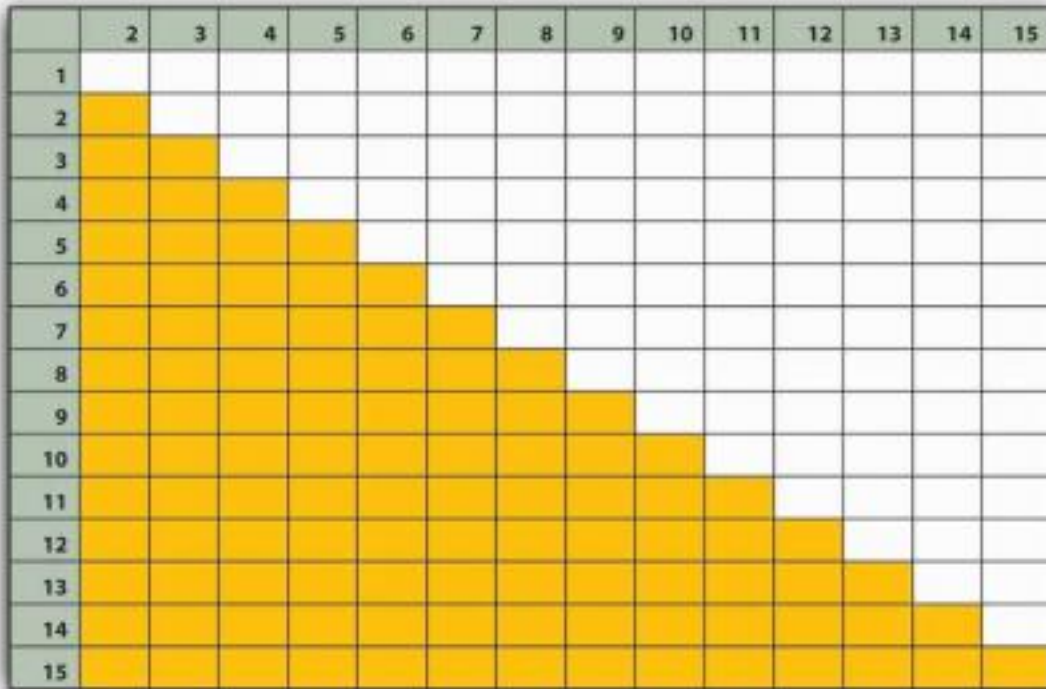
Map Your Social Network[866]

- Step 1: Think of a specific objective you have at work or school that involves other people. Once you have thought of an objective, jot it down.

- Step 2: Use Figure 13.15 to list 5 to 15 people at your school or in your professional network who you have regular contact with and who are relevant to the objective you identified.

- Step 3: Rate how tightly connected you are with the people in your network by placing a check in the corresponding column (barely connected, loosely connected, somewhat connected, or tightly connected) on the right-hand side of their name.

- Step 4: Circle the name of anyone who has introduced you to 4 or more new people since you have known them.

- Step 5: In Figure 13.16, place a check mark in the intersecting box of people that know each other. For example, if person 1 knows person 2, put a check mark under the 2 at the top of the table. Continue to do this throughout the grid (grayed boxes should be left blank).

- Step 6: Analyze your network using the guidelines on the following calculations.

- Step 7: Consider ways to strengthen your network.

Figure 13.15.

	Name	Barely Connected	Loosely Connected	Somewhat Connected	Tightly Connected
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					

Figure 13.16.

Let's see how your social network adds up:

Calculating Network Size

The number of people you listed in your own network for this situation

N = _____

Calculating Network Density

It is important to understand what the maximum density of your network is. This refers to how dense it would be if **everyone** in your network knew each other.

(N * (N − 1)/2 = M) or (_____ * (_____ − 1)/2 = M)
M = _____

Total number of checkmarks in Figure 13.16, which represents number of relationships among people in your network.

C = _____

Density of your network (will range between 0 and 1)

C / M = D

_____/_____= D

D = _____

Network Size

N = number of people in your network. The more people in your network, the greater the amount of information and possibly access to greater resources you have. We stopped at 15 people but many individuals have more people in their network than 15.

Network Strength

The strength of your network is also important. You can talk about this in terms of percentages of your relationships. What percentage are very tightly connected? Close? Somewhat connected? Or barely connected?

- ___% Tightly Connected

- ___% Somewhat Connected

- ___% Loosely Connected

- ___% Barely Connected

For most people, it would be hard to manage a huge network where all the ties are very close, just by virtue of the amount of time and energy it takes to satisfy the conditions for closeness.

Identifying Central Connectors

Count how many names you circled in step 4. Each of these individuals plays a special role in your network as they are central connectors who serve to expand your network by introducing you to new people. If you are also a central connector, this can be a benefit to assessing information as long as you are able to keep the network from distracting you from your work.

Network Density

Network density is important. When a person's network density is 1.0 that indicates that everyone in the network knows everyone else. Whether this is good or bad depends on a few things. For example, if everyone in your network has additional networks they belong to as well, you would be playing a central role in their networks and you would be a boundary spanner. But, if they also have high network density, the odds are that no new information is getting introduced into your group. You are basically a closed loop in which the same people interact with one another, and it is challenging to assess changes in the environment or to be innovative.

Social networks change over time depending on your tenure in an industry or company. The longer you have been in a given industry, the more likely it is that you will see your network size begin to shrink and become more dense.

Consider factors relating to power and influence and how you might go about strengthening and increasing the size of your network.

What are the pros and cons of doing so?

In a group, analyze the following individuals in terms of their potential power bases. The first step is to discuss which types of power a person with the job listed on the left-hand column could have. If you can think of an example of them having a type of power, write the example in that column.

Table 13.1.

	Legitimate power	Reward power	Coercive power	Information power	Referent power
Flight attendant					
Computer programmer					
Executive assistant					
Manager					
Mailroom person					
Customer service representative					
CEO					

[866] Adapted from information in Carpenter, M.A., & Sanders, W.M. (2007). *Strategic Management*. Upper Saddle River, NJ: Pearson Education; Wasserman, S., & Faust, K. (1994). Social network analysis: Methods and applications. NY: Cambridge University Press; Watt, D.J. (2003). *Six degrees: The science of the connected age*. NY: W.W. Norton & Company Ltd.