

Meaning of Power:

Power is the ability to influence other people. It refers to the capacity to affect the behaviour of the subordinate with the control of resources. It is an exchange relationship that occurs in transactions between an agent and a target. The agent is the person who uses the power and target is the receipt of the attempt to use power.

Distinction between Power, Authority and Influence

Power is the ability to influence someone else. Influence is the process of affecting the thoughts, behaviour and feelings of another person. Authority is the right to influence another person. Authority is a legitimate right to influence others.

- (1) Authority is right to influence others but power is ability to influence people.
- (2) Authority is legitimate while power is not.
- (3) Authority confers legitimacy to power but power itself need not be legitimate

Classifications of power:

Organizations are made up of individuals that exercise greater or lesser degrees of power. Sometimes, authority stems from a person's title in the organization, or from specialized knowledge and expertise. Others may exercise power through interpersonal relationships or the force of their personality. And still others gain influence through an ability to grant access to important resources.

Legitimate Power

Legitimate power is also known as positional power. It's derived from the position a person holds in an organization's hierarchy. Job descriptions, for example, require junior workers to report to managers and give managers the power to assign duties to their juniors. For positional power to be exercised effectively, the person wielding it must be deemed to have earned it legitimately. An example of legitimate power is that held by a company's CEO.

Expert power

Knowledge is power. Expert power is derived from possessing knowledge or expertise in a particular area. Such people are highly valued by organizations for their problem solving skills. People who have expert power perform critical tasks and are therefore deemed indispensable. The opinions, ideas and decisions of people with expert power are held in high regard by other employees and hence greatly influence their actions. Possession of expert power is normally a stepping stone to other sources of power such as

legitimate power. For example, a person who holds expert power can be promoted to senior management, thereby giving him legitimate power.

Referent Power

Referent power is derived from the interpersonal relationships that a person cultivates with other people in the organization. People possess reference power when others respect and like them. Referent power arises from charisma, as the charismatic person influences others via the admiration, respect and trust others have for her. Referent power is also derived from personal connections that a person has with key people in the organization's hierarchy, such as the CEO. It's the perception of the personal relationships that she has that generates her power over others.

Coercive Power

Coercive power is derived from a person's ability to influence others via threats, punishments or sanctions. A junior staff member may work late to meet a deadline to avoid disciplinary action from his boss. Coercive power is, therefore, a person's ability to punish, fire or reprimand another employee. Coercive power helps control the behavior of employees by ensuring that they adhere to the organization's policies and norms.

Reward Power

Reward power arises from the ability of a person to influence the allocation of incentives in an organization. These incentives include salary increments, positive appraisals and promotions. In an organization, people who wield reward power tend to influence the actions of other employees. Reward power, if used well, greatly motivates employees. But if it's applied through favoritism, reward power can greatly demoralize employees and diminish their output.

Contingency approach to power

Contingency approach of power suggests that no particular power base is effective in all situations; rather, effectiveness of power base depends on its matching the situational requirements prevailing at the time of use of power.

Contingency variables that affect power effectiveness:

Agent's Characteristics:

The agent characteristics determine the extent to which power exercised by him will be effective or not. An agent may exercise power in both directions, downward or upward. Therefore it is not necessary that the agent always functions as superior: he may be a subordinate and influences his superior's behaviour. Two characteristics of an agent affect power effectiveness:

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Organisational Position:

Organisational position of an agent determines his positional power. In a traditionally designed organisation structure with a large number of hierarchical levels, a person at a higher level commands more power bases than a person at a lower level. Thus, people at higher level can use positional power more effectively to get things done.

2.

Personality Characteristics:

It has been observed that people working at the same hierarchal level in the same organisation differ in terms of power use; some people become more effective in power use, others remain less effective.

Following conclusions about personality characteristics and power effectiveness can be drawn:

- People with high mach score (high mach score means high willingness to twist and turn facts to influence other) tend to use coercive power and information power more effectively than those with low mach score.
- More conscientious people use legitimate and reward power more effectively than less conscientious people.
- People with self-esteem rely more on personal power than their positional power. This happens because such people develop expertise and other relevant skills to protect their high self-esteem.
- People with high openness and extroversion tend to use personal power more effectively than other people.

Target's Characteristics:

Power effectiveness based on agent's characteristics is moderated by target's characteristics because power involves a reciprocal relationship between the agent and the target. Therefore, any power used by the agent will be effective or ineffective depending on the influencibility of the target. This influencibility is affected by the following factors:

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Dependency:

Dependency of the target depends on the resources controlled by the agent. If the dependency is high, power influence will be high or vice-versa.

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Uncertainty:

Certainty or uncertainty in the mind of the agent about appropriateness of his behaviour determines his influencibility.

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Personality:

There are various research studies show relationship between personality and influencibility. For example, people who cannot tolerate ambiguity or who are highly anxious are more susceptible to influence.

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Intelligence:

Though there is no conclusive proof about direct relationship between intelligence and influencibility, it has been observed that more intelligent people are less susceptible to influence generated by positional power.

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Culture:

Characteristics of culture to which targets belong affect their influencibility. For example, people coming from a culture which is oriented to authority are highly susceptible to influence while people coming from a culture having low authority orientation are less susceptible to influence.

Organisational Characteristics:

Power relationship between agent and target does not exist in a context; in the society, in social context, in the organisation, organisational context. Therefore, in organisational context, power relationship between the agent and the target based on their characteristics is modified, to a great extent, by the organisational characteristics. The major organisational factors that affect power relationship are:

1. Organisation Structure:

Organisation structure prescribes relationship among different positions. Since these positions are held by individuals, organisation structure prescribes relationship among different individuals.

2. Nature of Task:

Nature of task in terms of autonomy and visibility affects power relationship. Degree of autonomy indicates whether the task performance is autonomous or it is dependent on others. Task that have autonomy have in-built power for task performance. Visibility of task determines its power. For example, marketing function in a business organization has high visibility and, therefore, more power; human resource function has low visibility and less power.

3. Performance Evaluation and reward system:

Irony is that performance evaluation is done not by those who perform but by those who have control over reward distribution. If this performance evaluation and reward system is faulty, task performers are highly susceptible to power influence.

4. Organisational culture:

Organizational culture is the set of assumptions, beliefs, values, and norms that are commonly shared by organizational members. Organizational culture is, perhaps, the most important factor that affects management practices including power relationship among organizational members. Every organization sets its culture, either explicitly or implicitly to be identified by the behavior of people, more particularly those who are at higher levels.

What is Organizational Dynamics ?

Organizational dynamics is defined as the process of continuously strengthening resources and enhancing employee performances. It can also be described as how an organization manages and promotes organizational learning, better business practices and strategic management.

The Essential Elements

There are four fundamental business activities that contribute to an organization's dynamics.

First, planning requires management to structurally define departments and divisions. Managers set measurable goals that will define future actions and decisions. Organizational planning may involve inventory control, production scheduling, revenue forecasts and expense management. Managers use these plans as the actionable foundation for all their regular duties.

Second, goal execution involves implementing, evaluating and following up with expected deliverables. In order to accomplish this, managers must allocate resources and responsibilities to employees based on skills and schedules.

Third, leadership involves hands-on, exemplary oversight that drives innovation, knowledge and performance.

Fourth, resource control refers to how executives and management establish systems that gather data which is used to determine if goals are met.