Bachelor of Commerce Programme

Organizational Behaviour

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THE DA VINCI INSTITUTE

BACHELORS OF COMMERCE

NQF LEVEL 6

ORGANISATIONAL BEHAVIOUR

Leadership Power and Influence

The Da Vinci Institute for Technology Management (Pty) Ltd
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Leadership Power and Influence

Your Leadership Challenge

After reading this chapter, you should be able to:

1. Use power and politics to help accomplish important organizational goals.

2. Practice aspects of charismatic leadership by pursuing a vision or idea that you care deeply about and want to share with others.

3. Apply the concepts that distinguish transformational from transactional leadership.

4. Use coalitional leadership to build alliances that can help you achieve important goals for the organization.

5. Identify types and sources of power in organizations and know how to increase power through political activity.

6. Describe structural, human resource, political, and symbolic frames of reference and identify your dominant leadership frame.

7. Use the influence tactics of rational persuasion, friendliness, reciprocity, developing allies, direct appeal, and scarcity.
Chapter Outline

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How did a poor African-American girl growing up with a single mom in inner-city Chicago turn into one of the most recognized names in financial services? Intelligence, hard work, integrity, and a strong work ethic are part of the answer. But what has really helped Mellody Hobson not only survive but thrive in the white male-dominated world of investing is her political skill. Hobson, who is today president of mutual fund company Ariel Investments, started at Ariel as a student intern and joined full time after college graduation. She immediately started networking, making friends and supporters that she’s kept to this day. Hobson hangs out with celebrities like George Lucas and Ciara, enjoys talking with teachers and school children on Chicago’s South Side, counts Warren Buffett, Dick Parsons, and Jamie Dimon among her friends, sits on the boards of Estée Lauder, Starbucks, and the Chicago Public Library, has hosted fundraisers for Barack Obama since his first Senate campaign, worked with Richard Daley to improve Chicago public schools, and loves mingling with Formula One race fans, where she cheers on Lewis Hamilton, the first black racer. “She finds a way to find a connection with virtually anyone,” says David Geffen, cofounder of Dreamworks, where Hobson also sits on the board.

Hobson’s networking skill has helped her achieve what she wants for herself and for Ariel Investments. Even when she was a 25-year-old new employee, Hobson was able to influence Ariel founder John Rogers and board members regarding a critical strategic decision—to strengthen Ariel as a brand focused on value investing by separating it from the Calvert Group, which focused on social investing (the two firms were involved in a joint venture). Rogers says he was initially shocked by Hobson’s boldness, but Hobson used information, networking, and personal persuasion to convince him it was the right decision. “She went out and did a lot of heavy lifting and convinced our board and myself it was the right thing to do.”

Mellody Hobson had little formal power as a young Ariel employee, but she already understood how to use politics and influence to get things done. Successful leaders like Hobson take the time to build relationships both inside and outside the organization and to talk informally about important projects and priorities. All leaders use power and influence to have an impact on their organizations.

This chapter explores the topic of leadership power and influence in detail. The chapter opens with a consideration of three types of influential leadership. We next examine what we mean by the terms power and influence, consider different leader frames of reference that affect how leaders think about and use power, look at some sources and types of power, and outline ways leaders exercise power and influence through political activity. Finally, we briefly consider some ethical aspects of using power and influence.

Three Kinds of Influential Leadership

New leaders often think of leadership power as something granted by an organization through the leader’s position. However, leaders also have power that doesn’t depend on job authority,
and they influence people through a variety of means. Three types of influential leadership that rely on a leader's personal characteristics and relationships rather than on a formal position of authority are transformational, charismatic, and coalitional leadership.

**Transformational Leadership**

Transformational leadership is characterized by the ability to bring about significant change in both followers and the organization. Transformational leaders have the ability to lead changes in an organization’s vision, strategy, and culture as well as promote innovation in products and technologies.

One way to understand transformational leadership is to compare it to transactional leadership. The basis of transactional leadership is a transaction or exchange process between leaders and followers. The transactional leader recognizes followers’ needs and desires and then clarifies how those needs and desires will be satisfied in exchange for meeting specified objectives or performing certain duties. Thus, followers receive rewards for job performance, whereas leaders benefit from the completion of tasks. Transactional leaders focus on the present and excel at keeping the organization running smoothly and efficiently. They are good at traditional management functions such as planning and budgeting and generally focus on the impersonal aspects of job performance. Transactional leadership can be quite effective. However, because it involves a commitment to “follow the rules,” transactional leadership maintains stability within the organization rather than promoting change.

Transactional skills are important for all leaders. However, in a world in which success often depends on continuous change, organizations also need transformational leadership. Rather than analyzing and controlling specific transactions with followers using rules, directions, and incentives, transformational leadership focuses on intangible qualities such as vision, shared values, and ideas in order to build relationships, give larger meaning to separate activities, and provide common ground to enlist followers in the change process. Transformational leadership is based on the personal values, beliefs, and qualities of the leader rather than on an exchange process between leaders and followers.

Studies support the idea that transformational leadership has a positive impact on follower development, performance, and even organizational profitability. Moreover, transformational leadership skills can be learned and are not ingrained personality characteristics. Transformational leadership differs from transactional leadership in four significant areas.

1. Transformational leadership develops followers into leaders. Instead of strictly controlling people, transformational leaders give followers greater freedom to control their own behavior. Transformational leadership rallies people around a mission and vision and defines the boundaries within which followers can operate to accomplish goals. The trans-
formational leader arouses in followers an awareness of problems and issues and helps people look at things in new ways so that productive change can happen.

2. Transformational leadership elevates the concerns of followers from lower-level physical needs (such as for safety and security) to higher-level psychological needs (such as for self-esteem and self-actualization). Lower-level needs are met through adequate wages, safe working conditions, and other considerations, but the transformational leader also pays attention to each individual’s need for growth and development. Therefore, the leader sets examples and assigns tasks not only to meet immediate needs but also to elevate followers’ needs and abilities to a higher level and link them to the organization’s mission. Transformational leaders change followers so that they are empowered to change the organization.

3. Transformational leadership inspires followers to go beyond their own self-interests for the good of the group. Transformational leaders motivate people to do more than originally expected. They make followers aware of the importance of change goals and outcomes and, in turn, enable them to transcend their own immediate interests for the sake of the whole organization.

4. Transformational leadership paints a vision of a desired future state and communicates it in a way that makes the pain of change worth the effort. The most significant role of the transformational leader may be to find a vision for the organization that is significantly better than the old one and to enlist others in sharing the dream. It is the vision that launches people into action and provides the basis for the other aspects of transformational leadership we have just discussed. Change can happen only when people have a sense of purpose as well as a desirable picture of where the organization is going. Without vision, there can be no transformation.

Effective leaders exhibit both transactional and transformational leadership patterns. They accentuate not only their abilities to build a vision and empower and energize others, but also the transactional skills of designing structures, control systems, and reward systems that can help people achieve the vision.

Charismatic Leadership

Charisma has been called “a fire that ignites followers’ energy and commitment, producing results above and beyond the call of duty.” Charismatic leaders have an emotional impact on people and inspire them to do more than they would normally do, despite obstacles and personal sacrifice. They may speak emotionally about putting themselves on the line for the sake of a cause and they are perceived as people who persist in spite of great odds against them. Charismatic leaders often emerge in troubled times, whether in society or in organiza-
tions, because a strong, inspiring personality can help to reduce stress and anxiety among followers. For example, Amr Khaled emerged as a young, charismatic Muslim religious leader in Egypt during the Mideast crisis of the early twenty-first century. Khaled’s sermons, delivered in an emotional, impassioned manner, touched people who were searching for a moderate approach to living as a good Muslim.9

Charismatic leadership and transformational leadership are not the same. Whereas transformational leadership seeks to increase follower engagement and empowerment, charismatic leadership typically instills both awe and submission in followers.10 Followers admire both charismatic and transformational leaders, want to identify with them, and have a high degree of trust in them. However, transformational leadership motivates people not just to follow the leader personally, but also to believe in the need for change and be willing to make sacrifices for the sake of the vision rather than just out of admiration for the leader.

Charisma can be used for good or ill, but applied wisely and ethically, it can lift the entire organization’s level of energy and performance. Charismatic leaders can raise people’s consciousness about new possibilities and motivate them to transcend their own interests for the sake of the team, department, or organization. Although charisma itself cannot be learned, there are aspects of charismatic leadership that anyone can use. For one thing, charisma comes from pursuing activities that you have a true passion for.11 Charismatic leaders are engaging their emotions in everyday work life, which makes them energetic, enthusiastic, and attractive to others. Their passion for a mission inspires people to follow them and galvanizes people to action. Consider Martin Luther King, Jr., and his passion for the cause of equality. One organizational leader with this type of passion is Major Tony Burgess, the U.S. Army tactical officer attached on a full-time basis to Company C-2 at West Point. Burgess says he “fell in love with leading,” and his passion for commanding an Army company shows in his leadership.12

A number of studies have identified the unique qualities of charismatic leaders, documented the impact they have on followers, and described the behaviors that help them achieve remarkable results.13 Exhibit 12.1 compares distinguishing characteristics of charismatic and non-charismatic leaders.14

Charismatic leaders create an atmosphere of change and articulate an idealized vision of a better future. They have an ability to communicate complex ideas and goals in clear, compelling ways, so that people understand and identify with their message. Charismatic leaders also act in unconventional ways and use unconventional means to transcend the status quo and create change. The final quality shared by charismatic leaders is that their source of influence comes from personal characteristics rather than a formal position of authority. People admire, respect, and identify with the leader and want to be like him or her. Although charismatic leaders may be in formal positions of authority, charismatic leadership transcends formal organizational position because the leader’s influence is based on personal qualities rather than the
power and authority granted by the organization.

Coalitional Leadership

Transformational and charismatic leadership both suggest it is the individual leader who acts as a catalyst for bringing about valuable change toward achieving a goal or vision. Yet in most cases, successful change results from a coalition of people rather than the efforts of a single leader. Coalitional leadership involves building a coalition of people who support the leader’s goals and can help influence others to implement the leader’s decisions and achieve the goals. Coalitional leaders observe and understand patterns of interaction and influence in the organization. They are skilled at developing relationships with a broad network of people and can adapt their behavior and approach to diverse people and situations. Coalitional leaders develop positive relationships both within and outside the organization, and they spend time learning others’ views and building mutually beneficial alliances.

There are four steps for effective coalitional leadership:

1. Coalitional leaders do lots of interviews. Leaders conduct informal interviews with people from all across the organization to gather information and get a clear sense of the challenges and opportunities they face. Asking open-ended questions and listening to others enables the leader to learn about the needs and goals of others, find out who believes in and supports the change, who might be opposed and why, and who has ideas, opinions, and expertise that can contribute to accomplishing the desired goals. In addition to interviews, leaders talk informally with people whenever they get a chance. Consider the following example from ServiceMaster.

2. Coalitional leaders visit customers and other stakeholders. Coalitional leaders also solicit the views and input of customers as well as other potentially influential stakeholders, such as board members, government agencies, creditors, or others. Jan Frank found that this was a big part of her job bringing change to California’s State Compensation Insurance Fund, which receives no taxpayer money but is treated as an arm of state government. When Frank took over in 2007, the agency was reeling from financial scandal, ethical violations, and a criminal investigation. In addition to talking with managers, employees, and board members about her plans and goals for repairing the agency’s credibility, Frank also met regularly with lawmakers and regulators to solicit their input regarding operations. She knew their support was crucial to implementing her plans and achieving what she wanted for the agency.

3. Coalitional leaders develop a map of stakeholder buy-in. Leaders typically find that there are some people who strongly support their goals and plans, some who adamantly oppose them, and a large percentage who could swing either way. As illustrated in Exhibit
12.2, in mapping the level of buy-in for any significant change, about 10 percent of people can typically be classified as advocates, those stakeholders inside and outside the organization who are strong supporters and will help lead the change effort. Another 10 percent might be partners, who support and encourage the change but will not actively lead it. Twenty percent are typically strongly opposed to the change. These resisters might even disrupt or sabotage change efforts. The remaining 60 percent are classified as observers because they have a neutral attitude toward the proposed ideas and changes.¹⁹

4. Coalitional leaders break down barriers and promote cross-silo cooperation. The final critical step in coalitional leadership is continually breaking down barriers and promoting cooperation and collaboration across departments, divisions, and levels. For example, when Colin Powell was U.S. Chairman of the Joint Chiefs of Staff, he regularly brought together the heads of the Army, Air Force, Navy, and Marines so they could understand one another’s viewpoints.²⁰ Cross-enterprise understanding and cooperation is essential to achieving a larger vision.

**Power, Influence, and Leadership**

All leadership relies on the use of power to influence others and get things done.²¹ Power is often defined as the potential ability of one person to influence others to carry out orders²² or to do something they otherwise would not have done.²³ Other definitions stress that power is the ability to achieve goals or outcomes that power holders desire.²⁴ The achievement of desired outcomes is the basis of the definition used here. Power is the potential ability of one person in an organization to influence other people to bring about desired outcomes. It is the potential to influence others within the organization with the goal of attaining desired outcomes for power holders. Potential power is realized through the processes of politics and influence.²⁵ Influence refers to the effect a person’s actions have on the attitudes, values, beliefs, or actions of others. Whereas power is the capacity to cause a change in a person, influence may be thought of as the degree of actual change. For example, as a child you may have had the experience of playing a game you didn’t really want to play because one person in the group influenced others to do what he or she wanted. Or you may have changed your college major because of the influence of someone important in your life, or shifted your beliefs about some social issue based on the influence of political or religious leaders.

**Hard Versus Soft Power**

Most discussions of power include five types that are available to leaders.²⁶ Exhibit 12.3 illustrates the five types of leader power, categorized as either hard power or soft power. Hard power is power that stems largely from a person’s position of authority. This is the kind of power that enables a supervisor to influence subordinates with the use of rewards and punishments,
allows a manager to issue orders and expect them to be obeyed, or lets a domineering CEO force through his or her own decisions without regard for what anyone else thinks. Hard power includes legitimate, reward, and coercive power, which are defined largely by the organization’s policies and procedures. However, it is important to remember that position power and leadership are not the same thing. As we discussed in Chapter 1, a person might hold a formal position of authority and yet not be a leader.

Effective leaders don’t rely solely on the hard power of their formal position to influence others. Soft power includes expert power and referent power, which are based on personal characteristics and interpersonal relationships more than on a position of authority. In today’s world, soft power is, more than ever, the tool of the leader. Consider that Jeffrey Immelt, CEO of General Electric, considers himself a failure if he exercises his formal authority more than seven or eight times a year. The rest of the time, Immelt is using softer means to persuade and influence others and to resolve conflicting ideas and opinions. Even the United States military is talking about the importance of building relationships rather than using brute force. Defense Secretary Robert Gates, for instance, says that in the battle for hearts and minds abroad, the United States has to be “good at listening to others” rather than just good at kicking down doors, and the Army’s new stability operations field manual openly talks about the value of soft power.

Wesley Clark, former supreme commander of NATO who led the mission against Serb President Slobodan Milosevic, suggests that, for leaders in businesses as well as nations, building a community of shared interests should be the first choice, rather than using threats, intimidation, and raw power.

Each of the five types of leader power illustrated in Exhibit 12.3 is discussed in detail in the following paragraphs.

Legitimate Power

Legitimate power is the authority granted from a formal position in an organization. For example, once a person has been selected as a supervisor, most employees accept that they are obligated to follow his or her direction with respect to work activities. Certain rights, responsibilities, and prerogatives accrue to anyone holding a formal leadership position. Followers accept the legitimate rights of formal leaders to set goals, make decisions, and direct activities.

Reward Power

Reward power that stems from the authority to bestow rewards on other people is called reward power. For example, appointed leaders may have access to formal rewards, such as pay increases or promotions. Moreover, organizations allocate huge amounts of resources downward from top leaders. Leaders control resources and their distribution. Lower-level followers depend on leaders for the financial and physical resources to perform their tasks. Leaders with reward power can use rewards to influence subordinates’ behavior.

Coercive Power

The opposite of reward power is coercive power. It refers to the power to punish
or recommend punishment. Supervisors have coercive power when they have the right to fire or demote subordinates, criticize, or withdraw pay increases. For example, if a salesman does not perform as well as expected, the sales manager has the coercive power to criticize him, reprimand him, put a negative letter in his file, and hurt his chance for a raise. Coercive power is the negative side of legitimate and reward power.

Expert Power Power resulting from a leader's special knowledge or skill regarding tasks performed by followers is referred to as expert power. When a leader is a true expert, subordinates go along with recommendations because of his or her superior knowledge. Leaders at supervisory levels often have experience in the production process that gains them promotion. At top management levels, however, leaders may lack expert power because subordinates know more about technical details than they do. People throughout the organization with expertise and knowledge can use it to influence or place limits on decisions made by people above them in the organization.  

Referent Power This kind of power comes from leader personality characteristics that command followers' identification, respect, and admiration so they want to emulate the leader. When workers admire a supervisor because of the way he or she deals with them, the influence is based on referent power. Referent power depends on the leader's personal characteristics rather than on a formal title or position and is especially visible in the area of charismatic leadership. For example, Steve Jobs clearly has strong position power as CEO of Apple, but it is referent power and expert power that make him one of the most famous and most powerful leaders in the world.

Charismatic leadership, such as that of Steve Jobs, is intensely based on the relationship between leader and followers and relies heavily on either referent or expert power. However, all good leaders make use of these types of power rather than using position power alone. The Consider This box talks about the far-reaching impact of referent power.

Follower Responses to the Use of Power

Leaders use the various types of power to influence others to do what is necessary to accomplish organizational goals. The success of any attempt to influence is a matter of degree, but there are three distinct outcomes that may result from the use of power: compliance, resistance, and commitment, as illustrated in Exhibit 12.4.

When people successfully use hard, position power (legitimate, reward, coercive), the response is compliance. Compliance means that people follow the directions of the person with power, whether or not they agree with those directions. They will obey orders and carry out instructions even though they may not like it. The problem is that in many cases, followers do just enough work as is necessary to satisfy the leader and may not contribute their full potential. Re-
call our earlier definition of observers in the discussion of coalitional leadership. These people
don’t actively resist or sabotage the leader’s efforts, but they don’t fully participate in achieving
the vision. However, if the use of hard power, especially the use of coercion, exceeds a level
people consider legitimate, some followers will actively resist the attempt to influence. Resis-
tance means that employees will deliberately try to avoid carrying out instructions or they will
attempt to disobey orders. Thus, the effectiveness of leaders who rely solely on position power is
limited.

The follower response most often generated by soft, personal, and interpersonal power (ex-
pert, referent) is commitment. People become partners or advocates, rather than resisters or ob-
servers, as defined earlier. Commitment means that followers adopt the leader’s viewpoint and
enthusiastically carry out instructions. Needless to say, commitment is preferred to compliance
or resistance. Although compliance alone may be enough for routine matters, commitment is
particularly important when the leader is promoting change. Change carries risk or uncertainty,
and follower commitment helps to overcome fear and resistance associated with change efforts.
Successful leaders exercise both personal and position power to influence others.

Sources of Leader Power

The five types of power provide a basis for much of a leader’s influence. In organizations, how-
ever, additional sources of power and influence have been identified.³³

Dependency

You probably know from personal experience that when a person has control over something
that others want and need, that person is quite powerful. People in organizations, as elsewhere,
gain power when others depend on them—for information, resources, cooperation, and so
forth. The more people depend on someone, the greater that person’s power.³⁴ For instance, an
executive assistant who has control over access to the CEO may have more power than a vice
president because people depend on her to get their views heard by the top leader.

Organizational leaders have power over employees to some extent because people depend
on them for their jobs. However, the nature of dependency relationships between leaders and
subordinates in organizations fluctuates depending on economic circumstances. When unem-
ployment is low and jobs are plentiful, people feel less dependent on their supervisors, and
managers are more dependent on employees because they are hard to replace. Only a few
years ago, for example, the shortage of engineers and other high-tech talent was so severe that
many employees could shop around, gather several offers, and then demand more money and
benefits from their employers.³⁵ Not so today. With a struggling economy, widespread layoffs,
and high unemployment, the situation has reversed. Organizational leaders have greater power
over workers because jobs are hard to come by and most people are dependent on the organi-
zation for their livelihood.

Control over Resources

Dependency within organizations is related to a person's control over resources. Resources include such things as jobs, rewards, financial support, expertise, knowledge, materials, and time. As illustrated in Exhibit 12.5, people are more dependent—therefore leaders and organizations have more control and power—when resources are high on three characteristics—importance, scarcity, and nonsubstitutability. People in the organization must perceive the resource to be important—that is, if nobody wants what you've got, it is not going to create dependency. Resources can be important for a variety of reasons. For example, they may be essential elements of a key product, they may directly generate sales, or they may be critical to reducing or avoiding uncertainty for the organization's top decision makers. Chief information officers have gained a tremendous amount of power in many organizations because of the critical role of IT for both business and nonprofit organizations. Similarly, ethics and compliance officers are highly powerful today because they help reduce uncertainty for top leaders concerning ethical lapses and financial malfeasance.

Scarcity refers to whether the resource is easy or difficult to obtain. A resource that is difficult or expensive to acquire is more valuable and creates more dependency than one that is widely available. Leaders and employees with specialized knowledge illustrate this aspect of dependency. In traditional companies moving toward e-business, some young Internet-savvy managers have gained power over senior leaders who have little computer expertise.

The third characteristic, nonsubstitutability, means that leaders or employees with control over resources with no viable substitute will have more power. A somewhat amusing example comes from Evan Steingart's consumer products company. A low-level inventory-transfer clerk had to sign off on the shipment of all goods. Arrogant salespeople who felt they were "above" the clerk and treated him badly would find themselves at a disadvantage, as the clerk would have a long list of things to do before he could get to their shipping order, and the salespeople had no recourse but to wait.

Control over Information

One critical resource in organizations is information. Despite the trend toward empowerment and broader information sharing, the fact remains that some people will almost always have access to more information than others. Furthermore, they can withhold or divulge this information in ways designed to achieve their desired outcomes. As a negative illustration of this, financial aid leaders at some colleges and universities received "consultant fees," tuition reimbursement, and other perks from several student-loan companies in exchange for providing information that recommended those companies over others to students. The financial aid direc-
tors had control of information about various lending agencies, and they could choose to disclose information and shape student decisions that best served their own personal interests. On a more positive note, Attorney General Andrew Cuomo selectively released information to the public as he began investigating the allegations, thereby influencing big banks and colleges to come clean by admitting the sweetheart deals and spurring legislation to protect students from conflicts of interest.\textsuperscript{39}

Control over information—which involves both access to information and control over how and to whom it is distributed—is an important source of power for leaders. To some extent, access to information is determined by a person's position in the organization. Top leaders typically have access to more information than do lower-level supervisors or other employees. They can release information selectively to influence others and shape actions and decisions. However, control over information can also be a source of power for lower-level leaders and employees. Employees who have exclusive access to information needed by leaders to make decisions gain power as a result. For example, top executives may be dependent on the production manager for analyzing and interpreting complex operations data.

**Increasing Power Through Political Activity**

Acquiring and using power is largely a political process. Politics involves activities to acquire, develop, and use power and other resources to obtain desired future outcomes when there is uncertainty or disagreement about choices.\textsuperscript{40} Politically skillful leaders strive to understand others' viewpoints, needs, desires, and goals, and use their understanding to influence people to act in ways that help the leader accomplish his or her goals for the team or organization.\textsuperscript{41}

For example, leaders at most organizations engage in some degree of political activity aimed at influencing government policies, because government choices represent a critical source of uncertainty for businesses as well as nonprofit organizations.\textsuperscript{42} Consider proposed federal legislation that will allow government oversight of many kinds of exotic financial instruments, such as credit default swaps, that were a major cause of the recent financial crisis. Although most people agree some level of regulation is needed, leaders at finance companies will likely be lobbying to insure that the reforms “preserve the widespread availability of swaps and other important risk management tools,” as the CEO of one trade group put it.\textsuperscript{43}

Individuals also engage in political activity within organizations. Although some people have a negative view of politics, the appropriate use of political behavior serves organizational goals. Politics is a natural process for resolving differences among organizational interest groups.\textsuperscript{44} Political behavior can be either a positive or negative force. Uncertainty and conflict are natural in organizations, and politics is the mechanism for accomplishing things that can't be handled purely through formal policies or position power.
Leader Frames of Reference

The appropriate use of power and politics to get things done is an important aspect of leadership. Before exploring political tactics, let's consider leadership frames of reference and how a political approach combines with other leadership philosophies.

A frame is a perspective from which a leader views the world, and it influences how the leader interacts with followers, makes decisions, and exercises power. Four leader frames of reference illustrated in Exhibit 12.6 are structural, human resource, political, and symbolic. Leaders often begin with a limited structural perspective and develop the other frames as they mature and climb higher in their leadership development, thus achieving a more balanced mindset and approach.

The Structural Frame The organization as a machine is the dominant image in the structural frame of reference. Leaders strive for machine-like efficiency and value hard data and analysis for decision making. The structural frame places emphasis on plans, goal setting, and clarifying expectations as a way to provide order, efficiency, and stability. Leaders rely heavily on the power and authority granted through their organizational position to influence others (position power), and they emphasize clear job descriptions, rules and procedures, and administrative systems. This frame views the organization as a rational system and strives for clarity of direction and control of results.

The Human Resource Frame According to the human resource frame, people are the organization’s most valuable resource. This frame defines problems and issues in interpersonal terms and looks for ways to adjust the organization to meet human needs. Leaders do not rely solely on their position power to exert influence. Instead, they focus on relationships and often lead through empowerment and engagement. Leaders use the human resource perspective to involve followers and give them opportunities for personal and professional development. The images in this view are a sense of family, belonging, and the organization as a clan.

The Political Frame The political frame views organizations as arenas of ongoing conflict or tension over the allocation of scarce resources. Leaders spend their time networking and building coalitions to influence decisions and actions. As with the coalitional leadership style we discussed earlier in this chapter, leaders with this frame of reference strive to build a power base and they use both position and personal power to achieve desired results. The mindset in the political frame is to be aware of the organization as a jungle. Power and politics are considered a natural and healthy part of organizational life.

The Symbolic Frame To use full leadership potential requires that leaders also develop a fourth frame of reference—the symbolic frame—in which leaders perceive the organization as a system of shared meaning and values. Rather than relying only on the use of formal power or the
use of political tactics, leaders focus on shared vision, culture, and values to influence others. The dominant image is to see the organization as theater. Leaders are concerned with spirit and meaning, and they focus on harnessing followers’ dreams and emotions for the benefit of the organization and all of its people.

Each of the four frames of reference provides significant possibilities for enhancing leadership effectiveness, but each is incomplete. Many new leaders have not yet developed a political frame. Leaders can first understand their own natural frame, recognize its limitations, and then learn to integrate multiple frames to achieve their full leadership potential.

Political Tactics for Asserting Leader Influence

A leader’s power is useless unless it is applied to influence others to implement decisions, facilitate change, and accomplish goals, which requires both skill and willingness. The Leader’s Bookshelf describes a few strategies leaders can apply when they need to influence people to change their behavior. Not all attempts to use power result in actual influence. Some power moves are rejected by followers, particularly if they are seen to be self-serving. Leaders have to determine the best approach for using their power—that is, the approach that is most likely to influence others—by considering the individuals, groups, and situations involved.\(^6\) In addition, they understand the basic principles that can cause people to change their behavior or attitudes.

Leaders frequently use a combination of influence strategies, and people who use a wider variety of tactics are typically perceived as having greater power and influence. One survey of a few hundred leaders identified more than 4,000 different techniques by which these people were able to influence others to do what the leader wanted.\(^7\) However, the myriad successful influence tactics used by leaders fall into basic categories of influence actions. Exhibit 12.7 lists seven principles for asserting leader influence. Notice that most of these involve the use of soft, personal power, rather than relying solely on hard, position power or the use of rewards and punishments.

1. Use rational persuasion. Perhaps the most frequently used influence tactic is rational persuasion, which means using facts, data, and logical arguments to persuade others that a proposed idea or request is the best way to complete a task or accomplish a desired goal. It can be effective whether the influence attempt is directed upward toward superiors, downward toward subordinates, or horizontally, because most people have faith in facts and analysis.\(^8\) Rational persuasion is most effective when a leader has technical knowledge and expertise related to the issue (expert power), although referent power is also used. Frequently, some parts of a rational argument cannot be backed up with facts and figures, so people have to believe in the leader’s credibility to accept his or her argument.
2. Make people like you. We all know it’s easier to say yes to someone we like than to someone we don’t like.\(^49\) One author of a book on influence tells a story about an American working in Saudi Arabia, who learned that getting information or action from government offices was easy when he’d drop by, drink tea, and chat for awhile.\(^50\) Cultural values in Saudi Arabia put great emphasis on personal relationships, but people in all cultures respond to friendliness and consideration. When a leader shows concern for others, demonstrates trust and respect, and treats people fairly, people are more likely to want to help and support the leader by doing what he or she asks. In addition, most people will like a leader who makes them feel good about themselves. Leaders never underestimate the importance of praise.

3. Rely on the rule of reciprocity. A primary way to turn power into influence is to share what you have—whether it be time, resources, services, or emotional support. There is much research indicating that most people feel a sense of obligation to give something back in return for favors others do for them.\(^51\) This is one reason that organizations like Northrup Grumman, Kraft Foods, and Pfizer make donations to the favorite charities of House and Senate members. Leaders attempt to curry favor with lawmakers whose decisions can significantly affect their business.\(^52\) The “unwritten law of reciprocity” means that leaders who do favors for others can expect others to do favors for them in return. Leaders also elicit the cooperative and sharing behavior they want from others by first demonstrating it with their own actions.\(^53\) Some researchers argue that the concept of exchange—trading something of value for what you want—is the basis of all other influence tactics. For example, rational persuasion works because the other person sees a benefit from going along with the plan, and making people like you is successful because the other person receives liking and attention in return.\(^54\)

4. Develop allies. Reciprocity also plays an important role in developing networks of allies, people who can help the leader accomplish his or her goals. Leaders can influence others by taking the time to talk with followers and other leaders outside of formal meetings to understand their needs and concerns, as well as to explain problems and describe the leader’s point of view.\(^55\) Leaders consult with one another and reach a meeting of minds about a proposed decision, change, or strategy.\(^56\) A leader can expand his or her network of allies by reaching out to establish contact with additional people. Some leaders expand their networks through the hiring, transfer, and promotion process. Identifying and placing in key positions people who are sympathetic to the desired outcomes of the leader can help achieve the leader’s goals.

One study found that political skill, particularly network-building, has a positive impact on both followers’ perceptions of a leader’s abilities and performance as well as on the actual, objective performance of the work unit.\(^57\) Sheila Bair, chair of the Federal Deposit Insurance Corporation, has enhanced her reputation and power base by courting al-
lies to support her views on how to fix the troubled U.S. financial system.

5. Ask for what you want. Sheila Bair also employs another technique for influencing people, which is to be clear about what you want and openly ask for it. Even opponents praise her knack for being forceful at the right times in order to achieve her goals. Bair has obtained greater power for the FDIC partly because she clearly asked for it. If leaders do not ask, they seldom receive. Political activity is effective only when the leader’s vision, goals, and desired changes are made explicit so the organization can respond. Leaders can use their courage to be assertive, saying what they believe to persuade others. An explicit proposal may be accepted simply because other people have no better alternatives. Also, an explicit proposal for change or for a specific decision alternative will often receive favorable treatment when other options are less well defined. Effective political behavior requires sufficient forcefulness and risk-taking to at least try to achieve desired outcomes.\(^{59}\)

6. Remember the principle of scarcity. This principle means that people usually want more of what they can’t have. When things are less available, they become more desirable. An interesting dissertation study on the purchase decisions of wholesale beef buyers found that buyers more than doubled their orders when they were told that because of weather conditions there was likely to be a scarcity of foreign beef in the near future. Interestingly, though, their orders increased 600 percent when they were informed that no one else had that information yet.\(^{60}\) Retailers often use this principle by sending advance notice of sales to credit card holders, making them feel they’re getting information that the general shopping public doesn’t have. Leaders can learn to frame their requests or offers in such a way as to highlight the unique benefits and exclusive information being provided. One approach is to selectively release information that is not broadly available and that supports the leaders’ ideas or proposals. Letting people know they’re getting a sneak peek at information captures their interest and makes them more likely to support the leader’s position.

7. Extend formal authority with expertise and credibility. The final principle for asserting influence is the leader’s legitimate authority in the organization. Legitimate authorities are in a position to be particularly influential. However, research has found that the key to successful use of formal authority is to be knowledgeable, credible, and trustworthy. Leaders who become known for their expertise, who are honest and straightforward with others, and who develop relationships and inspire trust can exert greater influence than those who simply try to issue orders.\(^{61}\) In addition, effective leaders keep the six previous influence principles in mind, realizing that influence depends primarily on personal rather than position power.

Leaders can use an understanding of these tactics to assert influence and get things done.
When leaders ignore political tactics, they may find themselves failing without understanding why. For example, at the World Bank, Paul Wolfowitz tried to wield power without building the necessary relationships he needed to assert influence.

Eventually, the board asked for Wolfowitz’s resignation. “What Paul didn’t understand is that the World Bank presidency is not inherently a powerful job,” said one former colleague. “A bank president is successful only if he can form alliances with the bank’s many fiefdoms. Wolfowitz didn’t ally with those fiefdoms. He alienated them.”

Wolfowitz realized too late that he needed to use a political approach rather than trying to force his own agenda. Even when a leader has a great deal of power, political tactics are more effective than force for turning power into influence.

Ethical Considerations in Using Power and Politics

Harry Truman once said that leadership is the ability to get people to do what they don’t want to do and like it. His statement raises an important issue: Leadership is an opportunity to use power and influence to accomplish important organizational goals, but power can also be abused.

One consideration is the difference between personalized leaders and socialized leaders. This distinction refers primarily to the leader’s approach to the use of power. Personalized leaders are typically selfish, impulsive, and exercise power for their own self-centered needs and interests rather than for the good of the organization. Socialized leaders exercise power in the service of higher goals that will benefit others and the organization as a whole. Personalized leaders are characterized as self-aggrandizing, nonegalitarian, and exploitative, whereas socialized leaders are empowering, egalitarian, and supportive. Personalized behavior is based on caring about self; socialized behavior is based on valuing others.

A specific area in which the unethical use of power is of increasing concern for organizations is sexual harassment. People in organizations depend on one another—and especially on leaders—for many resources, including information, cooperation, and even their jobs. When access to resources seems to depend on granting sexual favors or putting up with sexually intimidating or threatening comments, the person in a dependent position is being personally violated, whether or not the leader actually withholds the resources. Partly in response to pressures from the courts, many organizations are developing policies and procedures that protect individuals from sexual harassment on the job and offer mechanisms for reporting complaints. Sexual harassment is not just unethical; it is illegal, and it is a clear abuse of power.

However, there are many other situations in organizations that are not so clear-cut, and leaders may sometimes have difficulty differentiating ethical from unethical uses of power and
politics. Exhibit 12.8 summarizes some criteria that can guide ethical actions. First and foremost is the question of whether the action is motivated by self-interest or whether it is consistent with the organization’s goals. One Internet company has a rule that any employee can be terminated for a political act that is in the individual’s own self-interest rather than in the interest of the company, or that harms another person in the organization. Once a leader answers this primary question, there are several other questions that can help determine whether a potential influence action is ethical, including whether it respects the rights of individuals and groups affected by it, whether it meets the standards of fairness, and whether the leader would want others to behave in the same way. If a leader answers these questions honestly, they can serve as a guide to whether an intended act is ethical.

In the complex world of organizations, there will always be situations that are difficult to interpret. The most important point is for leaders to be aware of the ethical responsibilities of having power and take care to use their power to help rather than harm others. Leaders should think not in terms of getting their own way, but rather in terms of building long-term productive relationships that can achieve goals and benefit the entire organization.

Leadership Essentials

- This chapter looked at how leaders use power and political processes to influence others and get things done. Three types of influential leadership that rely strongly on a leader’s personal characteristics and relationships are transformational, charismatic, and coaltional leadership. Charismatic leaders have an emotional impact on people. They create an atmosphere of change, articulate an idealized vision of the future, inspire faith and hope, and frequently incur personal risks to influence followers. Transformational leaders also create an atmosphere of change, and they inspire followers not just to follow them personally but also to believe in the vision. Transformational leaders inspire followers to go beyond their own self-interest for the good of the whole. Coalitional leadership involves developing a coalition of people who can help influence others to implement the leader’s decisions and achieve the leader’s desired goals. To have broad influence, leaders develop relationships with others, listen to others’ needs and goals, and promote cooperation.

- All leaders use power and politics to influence people and accomplish goals. Power is the ability to influence others to reach desired outcomes. The best-known types of power are legitimate, reward, expert, referent, and coercive, which are associated with a leader’s position and personal qualities. Three distinct outcomes may result from the use of power: compliance, resistance, and commitment. The effective use of position power generally leads to follower compliance, whereas the excessive use of position power—particularly coercive power—may result in resistance. The follower response most often generated by personal power is commitment.
A key aspect of power is that it is a function of dependency, which is related to a person’s control over resources and control over information. Dependency is greatest for resources that are highly important, scarce, and have no readily available substitutes.

Power is acquired, developed, and exercised through political activities. Having a political perspective on the organization is important, because leaders need to use politics to accomplish important goals. A political perspective can be combined with other leader frames of reference. Frames of reference influence how the leader interacts with followers, makes decisions, and exercises power. Four leader frames of reference are structural, human resource, political, and symbolic. Leaders typically begin with a structural frame and develop other frames of reference as they mature in their leadership responsibilities and understanding.

Leaders use a wide variety of influence tactics, but they fall within some broad categories based on general principles for asserting influence. Seven principles for asserting leader influence are rational persuasion, liking and friendliness, reciprocity, developing allies, direct appeal, scarcity, and formal authority. One important consideration for leaders is how to use power and politics ethically and responsibly. Ethical leaders use power to serve the organization’s goals, respect the rights of individuals and groups, and strive to be fair in their dealings with others.

Discussion Questions

1. Lord Acton, a British historian of the late 19th century, said that “power tends to corrupt; absolute power corrupts absolutely,” suggesting that a person’s sense of morality lessens as his or her power increases. Do you agree? Considering this idea, is it ethical for leaders to try to increase their power? Discuss.

2. What do you consider the most important difference between transformational leadership and transactional leadership? Between transformational and charismatic leadership? How is transformational leadership similar to charismatic leadership?

3. Assume you are on a search committee to replace the CEO of a large financial services firm like Citigroup. Which do you think would be more valuable for a new top leader trying to solve the problems within that organization—charismatic, transformational, or coalitional leadership? What about for a new top leader of a small private university? Discuss.

4. Which of the four organizational frames of reference do you most admire? How do you think this frame of reference could be beneficial or detrimental to your leadership capability?
5. A recent magazine article suggested that young college graduates just entering the workforce are refusing to “play the political game.” Why might this be the case? If politics is important for getting things done, can these people succeed as leaders? Discuss.

6. Which types of power would you rely on to implement an important decision quickly? Which types would you consider most valuable for sustaining power over the long term?

7. How does control over information give power to a person? Have you ever used control over information to influence a decision with friends or coworkers? Explain.

8. Describe ways in which you might increase your personal power.

9. Which of the seven influence tactics would you be most comfortable with as leader of a study group? Of a work team? Discuss.

10. A leadership observer said in an interview that most women leaders view power differently than men do and prefer a collaborative, relationship-oriented use of power. If this is the case, what does it suggest about women leaders’ abilities to accomplish goals? What does it suggest about women’s ability to rise to higher organizational levels? Discuss.

Leadership at Work

CIRCLE OF INFLUENCE

How do you personally try to influence others? Think carefully about how you get others to agree with you or do something you want. Watch the way you influence others in a team, at home, or during your work. Make a list of your influence tactics:

1. ___ 4. ___
2. ___ 5. ___
3. ___ 6. ___

Of the influence and political tactics discussed in the chapter, which ones do you typically not use?

___
___
___
During the next two days, your assignment is to (1) monitor the influence tactics you typically use, and (2) try one new tactic that you don’t normally use. The new influence tactic you will try is:


Another important concept is called the circle of influence. Think carefully about the people who have influence over you. These people are your circle of influence. You may have one circle of influence at work, another at home, and others for your social life or career. Write down the people who would have some influence over you at work or school:


This is your circle of influence.

A person’s circle of influence can be important when you really want to influence that person. If someone doesn’t respond to your normal influence attempts, think about identifying the individual’s circle of influence—the people who have influence over him or her. You can then influence people in the “circle” as an indirect way to influence the person you want to change.

Pick an individual at work or school, or even your instructor, and plot out that person’s circle of influence. List the key people you believe are in the person’s circle of influence:


How would you get more information on the person’s true circle of influence?


How can you use your knowledge of the person’s circle to have influence over him/her? What are possible disadvantages of using this approach to influence someone?

In Class: The instructor can ask students to sit in small groups of three to five people and share the circles of influence they identified for themselves. After listing the circle of influence at work or school, students can also talk about the circles of people who might influence them in their professional, social, or family activities. Key questions for this discussion are: What are the common themes in the students’ circles of influence? When and how could the circle idea be applied to influence someone? How might it be misapplied and backfire on your effort to influence another?

Leadership Development: Cases for Analysis

THE UNHEALTHY HOSPITAL

When Bruce Reid was hired as Blake Memorial Hospital’s new CEO, the mandate had been clear: Improve the quality of care, and set the financial house in order.

As Reid struggled to finalize his budget for approval at next week’s board meeting, his attention kept returning to one issue—the future of six off-site clinics. The clinics had been set up six years earlier to provide primary health care to the community’s poorer neighborhoods. Although they provided a valuable service, they also diverted funds away from Blake’s in-house services, many of which were underfunded. Cutting hospital personnel and freezing salaries could affect Blake’s quality of care, which was already slipping. Eliminating the clinics, on the other hand, would save $256,000 without compromising Blake’s internal operations.

However, there would be political consequences. Clara Bryant, the recently appointed commissioner of health services, repeatedly insisted that the clinics were an essential service for the poor. Closing the clinics could also jeopardize Blake’s access to city funds. Dr. Winston Lee, chief of surgery, argued forcefully for closing the off-site clinics and having shuttle buses bring patients to the hospital weekly. Dr. Susan Russell, the hospital’s director of clinics, was equally vocal about Blake’s responsibility to the community, and suggested an entirely new way of delivering health care: “A hospital is not a building,” she said, “it’s a service. And wherever the service is needed, that is where the hospital should be.” In Blake’s case, that meant funding more clinics. Russell wanted to create a network of neighborhood-based centers for all the surrounding neighborhoods, poor and middle income. Besides improving health care, the network would act as an inpatient referral system for hospital services. Reid considered the proposal: If a clinic network could tap the paying public and generate more inpatient business, it might be worth looking into. Blake’s rival hospital, located on the affluent side of town, certainly wasn’t
doing anything that creative. Reid was concerned, however, that whichever way he decided, he was going to make enemies.


QUESTIONS

1. What sources of power does Reid have in this situation? Do you believe using legitimate power to implement a decision would have a positive effect at Blake Memorial? Discuss.

2. What influence tactics might you use if you were in Reid's position?

3. Do you see ways in which Reid might use the ideas of coalitional leadership to help resolve this dilemma?

WAITE PHARMACEUTICALS

Amelia Lassiter is chief information officer at Waite Pharmaceuticals, a large California-based company. In an industry where it generally takes $500 million and 10 to 12 years to bring a new drug to market, companies such as Waite are always looking for ways to increase productivity and speed things up. After about eight months on the job, Lassiter suggested to company president James Hsu that Waite implement a new global knowledge-sharing application that promises to cut development time and costs in half. She has done extensive research on knowledge-sharing systems, and has talked closely with an IT director at global powerhouse Novartis, a company on the cutting edge in pharmaceuticals and animal health care, as well as other diverse products. The Novartis director believes the knowledge-sharing system plays an important role in that company’s competitiveness.

Hsu presented the idea to the board of directors, and everyone agreed to pursue the project. He has asked Lassiter to investigate firms that could assist Waite’s IT department in developing and implementing a global knowledge-sharing application that would be compatible with Waite’s existing systems. Hsu explained that he wants to present the information to the board of directors for a decision next month.

Lassiter identified three major firms that she believed could handle the work and took a summary of her findings to Hsu’s office, where she was greeted by Lucy Lee, a young, petite, attractive woman who served as a sort of executive assistant to Hsu. Word was that the relationship between Lee and Hsu was totally proper, but besides the value of her good looks, no one in the company could understand why she was working there. Her lack of talent and experience made her a liability more than a help. She was very deferential to Hsu, but condescending to
everyone else. Lee was a constant source of irritation and ill will among managers throughout the company, but there was no doubt that the only way to get to Hsu was through Lucy Lee. Lee took the information from Lassiter and promised the president would review it within two days.

The next afternoon, Hsu called Lassiter to his office and asked why Standard Systems, a small local consulting firm, was not being considered as a potential provider. Lassiter was surprised—Standard was known primarily for helping small companies computerize their accounting systems. She was not aware that they had done any work related to knowledge-sharing applications, particularly on a global basis. Upon further investigation into the company, she learned that Standard was owned by an uncle of Lucy Lee’s, and things began to fall into place. Fortunately, she also learned that the firm did have some limited experience in more complex applications. She tried to talk privately with Hsu about his reasons for wanting to consider Standard, but Hsu insisted that Lee participate in all his internal meetings. At their most recent meeting, Hsu insisted that Standard be included for possible consideration by the board.

During the next two weeks, representatives from each company met with Hsu, his two top executives, and the IT staff to explain their services and give demonstrations. Lassiter had suggested that the board of directors attend these presentations, but Hsu said they wouldn’t have the time and he would need to evaluate everything and make a recommendation to the board. At the end of these meetings, Lassiter prepared a final report evaluating the pros and cons of going with each firm and making her first- and second-choice recommendations. Standard was dead last on her list. Although the firm had some excellent people and a good reputation, it was simply not capable of handling such a large and complex project.

Lassiter offered to present her findings to the board, but again, Hsu declined her offer in the interest of time. “It’s best if I present them with a final recommendation; that way, we can move on to other matters without getting bogged down with a lot of questions and discussion. These are busy people.” The board meeting was held the following week. Lassiter was shocked when the president returned from the meeting and informed her that the board had decided to go with Standard Systems as the consulting firm for the knowledge-sharing application.


QUESTIONS

1. How would you explain the board’s selection of Standard Systems?

2. Discuss the types, sources, and relative amount of power for the three main characters in
3. How might Lassiter have increased her power and influence over this decision? If you were in her position, what would you do now?

References


14 The following discussion is based primarily on Conger et al., Charismatic Leadership.

16 Friedman and Sebenius, “Organizational Transformation: The Quiet Role of Coalitional Leadership.”


19 These data are adapted from materials supplied by ExperiencePoint Inc., in conjunction with the Global Tech simulation, 2007.

20 Friedman and Sebenius, “Organizational Transformation.”


27 Reported in Liberman, “Mario Moussa Wants You to Win Your Next Argument.”


31 Steve Moore, “Not Bad for a Hippie Dropout,” Management Today (March 2009), p. 27;


Pfeffer, Power in Organizations, p. 70.


48 Ibid.; and Pfeffer, Managing with Power, Chapter 13.

49 This discussion is based partly on Robert B. Cialdini, “Harnessing the Science of Persuasion,” Harvard Business Review (October 2001), pp. 72–79.


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54 Cohen and Bradford, “The Influence Model.”

55 Pfeffer, Power in Organizations, p. 70.


60 Cialdini, “Harnessing the Science of Persuasion.”


64 Robert J. House and Jane M. Howell, “Personality and Charismatic Leadership,” Leadership Quarterly 3, no. 2 (1992), pp. 81–108; and Jennifer O’Connor, Michael D. Mumford, Timo-

65 For a discussion of personalized and socialized power, see David C. McClelland, Power: The Inner Experience (New York: Irvington, 1975).


Charismatic leaders
leaders who have the ability to inspire and motivate people to do more than they would normally do, despite obstacles and personal sacrifice

Coalitional leadership
leadership that involves developing allies and building a coalition of people who support the leader’s goals and can help influence others to implement the leader’s decisions and achieve the goals

Power
the potential ability of one person to influence other people to bring about desired outcomes

Influence
the effect a person’s actions have on the attitudes, values, beliefs, or actions of others

Structural frame
a leader frame of reference that places emphasis on planning, setting goals, and clarifying expectations as a way to provide order, efficiency, and stability

Human resource frame
a leader frame of reference that defines problems and issues in interpersonal terms and looks for ways to adjust the organization to meet human needs

Political frame
a leader frame of reference that views the organization as an arena of conflict or tension over the allocation of scarce resources
Symbolic frame

a leader frame of reference that perceives the organization as a system of shared meaning and focuses on shared vision, culture, and values to influence others

Transformational leadership

leadership characterized by the ability to bring about significant change in followers and the organization

Transactional leadership

a transaction or exchange process between leaders and followers

Legitimate power

authority granted from a formal position

Reward power

authority to bestow rewards on other people

Coercive power

authority to punish or recommend punishment

Expert power

authority resulting from a leader’s special knowledge or skill

Referent power

authority based on personality characteristics that command followers’ attention, respect, and admiration so that they want to emulate the leader

Compliance

following the directions of the person with power, regardless of how much agreement there is with that person’s directions

Resistance
the act of disobeying orders or deliberately avoiding carrying out instructions

Commitment

adopting the leader’s viewpoint and enthusiastically carrying out instructions

Politics

activities to acquire, develop, and use power and other resources to obtain desired future outcomes when there is uncertainty or disagreement about choices

Frame

a perspective from which a leader views the world; influences how the leader interacts with followers, makes decisions, and exercises power

Action Memo

As a leader, you can act like a transformational leader by rallying people around an inspiring vision, expressing optimism about the future, helping followers develop their potential, and empowering people to make change happen.

Action Memo

As a leader, you can use aspects of charismatic leadership by articulating a vision, making personal sacrifices to help achieve it, and appealing to people’s emotions more than to their minds. Expand your charismatic potential by pursuing activities that you genuinely love.

Action Memo

Complete the questions in Leader’s Self-Insight 12.1 to learn how a supervisor of yours rates on transformational leadership. Then, answer the questions for how you would behave in a leadership situation.

Action Memo

Take the short quiz in Leader’s Self-Insight 12.2 to help you determine whether you have the potential to be a charismatic leader.

Action Memo

As a leader, you can expand your personal power by developing good relationships and acquir-
ing advanced knowledge and experience. You can use power to gain the commitment of others to achieve the vision. Use position power when appropriate, but don’t overdo it.

Action Memo

As a leader, you can gain power by gaining control over resources and increasing your knowledge. You can use information to shape decisions and actions, and stay alert to ways you can help the organization cope with critical uncertainties.

Action Memo

Use each of the structural, human resource, political, and symbolic frames of reference to maximize your leadership effectiveness. Complete the questionnaire in Leader’s Self-Insight 12.3 to understand your dominant frame.

Action Memo

As a leader, you can use political activity to achieve important organizational goals when there is uncertainty or disagreement about choices. You can develop connections with powerful people by volunteering for difficult projects and serving on committees.

Action Memo

As a leader, you can influence others by using rational persuasion, developing allies, and expanding your expertise and credibility. Remember that people respond to friendliness and consideration, and they typically feel obligated to return favors.

Action Memo

As a leader, you can be ethical in your use of power and politics. You can build long-term productive relationships to achieve important goals and benefit the entire team or organization.

Transformational Leadership

Think of a situation where someone (boss, coach, teacher, group leader) was in a leadership position over you. Indicate whether each of the following items is Mostly False or Mostly True for you.

In general, the leader over me:
1. Listened carefully to my concerns  
2. Showed conviction in his/her values  
3. Helped me focus on developing my strengths  
4. Was enthusiastic about our mission  
5. Provided coaching advice for my development  
6. Talked optimistically about the future  
7. Encouraged my self-development  
8. Fostered a clear understanding of important values and beliefs  
9. Provided feedback on how I was doing  
10. Inspired us with his/her plans for the future  
11. Taught me how to develop my abilities  
12. Gained others’ commitment to his/her dream

Scoring and Interpretation

These questions represent two dimensions of transformational leadership. For the dimension of develops followers into leaders, sum your Mostly True responses to questions 1, 3, 5, 7, 9, and 11. For the dimension of inspires followers to go beyond their own self-interest, sum your Mostly True responses for questions 2, 4, 6, 8, 10, and 12.

The scores for my leader are:

Develops followers into leaders: ___

Inspires followers to go beyond their own self-interest: ___

These two scores represent how you saw your leader on two important aspects of transformational leadership. A score of 5 or above on either dimension is considered high because many leaders do not practice transformational skills in their leadership or group work. A score of 2 or below would be below average. Compare your scores with other students to understand your leader’s practice of transformational leadership. How do you explain your leader’s score?

Remember, the important learning from this exercise is about yourself, not your leader. Analyzing your leader is simply a way to understand the transformational leadership concepts. How would you rate on the dimensions of developing followers into leaders or inspiring followers to go beyond their own self-interest? These are difficult skills to master. Answer the 12 questions for yourself as a leader. Analyze your pattern of transformational leadership as revealed in your 12 answers.
Have You Got Charisma?

This short quiz will help you determine whether you have characteristics that are associated with charismatic leaders. Circle the answer that best describes you.

1. I am most comfortable thinking in
   a. Generalities
   b. Specifics

2. I worry most about
   a. Current competitive issues
   b. Future competitive issues

3. I tend to focus on
   a. The opportunities I’ve missed
   b. The opportunities I’ve seized

4. I prefer to
   a. Promote traditions and procedures that have led to success in the past
   b. Suggest new and unique ways of doing things

5. I tend to ask
   a. How can we do this better?
b. Why are we doing this?

6. I believe
   a. There’s always a way to minimize risk
   b. Some risks are too high

7. I tend to persuade people by using
   a. Emotion
   b. Logic

8. I prefer to
   a. Honor traditional values and ways of thinking
   b. Promote unconventional beliefs and values

9. I would prefer to communicate via
   a. A written report
   b. A one-page chart

10. I think this quiz is
    a. Ridiculous
    b. Fascinating

Scoring and Interpretation

The following answers are associated with charismatic leadership:

1. a; 2. b; 3. a; 4. b; 5. b; 6. a; 7. a; 8. b; 9. b; 10. b

If you responded in this way to seven or more questions, you have a high charisma quotient and may have the potential to be a charismatic leader. If you answered this way to four or fewer questions, your charisma level is considered low. Do you believe a person can develop charisma?
Source: Based on “Have You Got It?” a quiz that appeared in Patricia Sellers, “What Exactly Is Charisma?” Fortune (January 15, 1996), pp. 68–75. The original quiz was devised with the assistance of leadership expert Jay Conger.

Consider This!

The Ripple Effect

Do you want to be a positive influence in the world? First, get your own life in order. Ground yourself in this single principle so that your behavior is wholesome and effective. If you do that, you will earn respect and be a powerful influence.

Your behavior influences others through a ripple effect. A ripple effect works because everyone influences everyone else. Powerful people are powerful influences.

If your life works, you influence your family.

If your family works, your family influences the community.

If your community works, your community influences the nation.

If your nation works, your nation influences the world.

If your world works, the ripple effect spreads throughout the cosmos.


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Your Leadership Orientation

This questionnaire asks you to describe yourself as a leader. For each of the following items, give the number “4” to the phrase that best describes you, “3” to the item that is next best, and on down to “1” for the item that is least like you.

1. My strongest skills are:

   ___ a. Analytical skills

   ___ b. Interpersonal skills
2. The best way to describe me is:

___ a. Technical expert
___ b. Good listener
___ c. Skilled negotiator
___ d. Inspirational leader

3. What has helped me the most to be successful is my ability to:

___ a. Make good decisions
___ b. Coach and develop people
___ c. Build strong alliances and a power base
___ d. Inspire and excite others

4. What people are most likely to notice about me is my:

___ a. Attention to detail
___ b. Concern for people
___ c. Ability to succeed in the face of conflict and opposition
___ d. Charisma

5. My most important leadership trait is:

___ a. Clear, logical thinking
___ b. Caring and support for others
___ c. Toughness and aggressiveness
___ d. Imagination and creativity
6. I am best described as:

___ a. An analyst

___ b. A humanist

___ c. A politician

___ d. A visionary

Scoring and Interpretation

Compute your scores as follows:

Structural = 1a + 2a + 3a + 4a + 5a + 6a =

___

Human Resource = 1b + 2b + 3b + 4b + 5b + 6b =

___

Political = 1c + 2c + 3c + 4c + 5c + 6c =

___

Symbolic = 1d + 2d + 3d + 4d + 5d + 6d =

___

Your answers reveal your preference for four distinct leader orientations or frames of reference. The higher your score, the greater your preference. A low score may mean a blind spot. “Structural” means to view the organization as a machine that operates with efficiency to be successful. “Human Resource” means to view the organization primarily as people and to treat the family well to succeed. “Political” means to view the organizations as a competition for resources and the need to build alliances to succeed. “Symbolic” means to view the organization as a system of shared meaning and values and to succeed by shaping the culture.

Do you view politics in a positive or negative light? Most new leaders succeed first by using either or both of the structural or people orientations. New leaders often have a blind spot about politics. As managers move up the hierarchy, they learn to be more political or they miss out on key decisions. The symbolic view usually comes last in a leader’s development. Compare your
scores to other students and see which orientations are more widely held.

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Influencer: The Power to Change Anything

by Kerry Patterson, Joseph Grenny, David Maxfield, Ron McMillan, and Al Switzler

Leaders face a challenge every day in trying to get people to do what needs to be done, because it often means changing people’s attitudes, habits, loyalties, and ways of thinking. The authors of Influencer: The Power to Change Anything assert that people change only when they (1) believe it will be worth it, and (2) believe they can do what is asked of them.

How to Be a Successful Influencer

Influencer describes and illustrates six strategies leaders can use to accomplish the two requirements. “Not everyone will become influencers with a capital ‘I,’” they admit, “but everyone can learn and apply the methods and strategies the world’s best influencers use every day.” Here are four of the strategies, two related to motivation and two related to ability:

- Make the undesirable desirable. Leaders need to connect with people on a personal basis to understand what they want and help them discover links between their personal goals and organizational goals. When Ralph Heath, now president of Lockheed Martin Aeronautics, had to move a new fighter jet from drawing board to production in only 18 months, he spent weeks interviewing people at all levels to understand their needs, frustrations, and aspirations. Later, people were willing to listen to him because they knew he had taken their needs and goals into account.

- Harness peer pressure. “When seeking influence tools that have an impact on profound and persistent problems, no resource is more powerful . . . than the persuasion of people who make up our social network,” the authors write. Leaders seek out those who can influence others and make sure people feel praised, emotionally supported, and encouraged by those around them when they exhibit the desired behaviors.

- Develop people’s skills. Good leaders make sure people have the technical, interpersonal, and emotional skills and abilities they need to enact the new behaviors. To build confidence, leaders break large challenges into discrete parts, with clear achievable goals for each part. They provide rapid feedback to alleviate fear and uncertainty.

- Change the environment. “Given that things are far easier to change than people, and that these things can then have a permanent impact on how people behave,” the authors sug-
gest that leaders change the physical environment to enhance people’s ability to change. Emery Air Freight pioneered the idea of using sturdy, reusable, uniform-sized containers, but leaders couldn’t get employees to fill them properly. A simple change—drawing a “Fill to Here” line on the inside of every container—solved the problem.

Practical Application and Support

Compelling case studies from business, health care, social science, and other disciplines are woven throughout to illustrate how each of the strategies can be applied to real problems. In addition, the authors provide a list of additional tools and resources for those who want to strengthen their influence skills.


After 10 hours of meetings focused on the company’s new Six Sigma initiative, all Jim Goetz wanted to do was head to his hotel room. As CIO of ServiceMaster, Goetz wanted to develop an Internet-based system for collecting, reporting, and sharing information and delivering Six Sigma improvements.

He suspected that some managers in the branches and divisions, who had been accustomed to initiating and implementing their own projects, wouldn’t be happy about a centralized system. So, as tired as he was, Goetz headed toward the lobby and the hotel lounge. He approached people from all divisions and talked with them over a beer or a coffee, probing for their feelings about the Six Sigma initiative, their goals and interests, and their expectations for how IT could help them meet their own department’s or division’s objectives.

Several hours later, as Goetz finally settled in his room, he understood the major challenges he faced: selling frontline branch employees on the ease of the new system and convincing division managers of the value of centralized implementation. More importantly, Goetz now had a pretty good idea of who his allies were and who was strongly opposed. He was already formulating ideas for how he could bring other people into a coalition by aligning the project with their own interests.

Steve Jobs, Apple

He has been called a “narcissistic perfectionist with a volcanic temper.” He has also been referred to as a “master communicator,” “the model of a charismatic leader,” “a tan-
talizingly elusive figure,” and “one of the greatest business leaders of all time.”

If any business leader commands a rock star–like following, it is Steve Jobs. In 1982, Jobs (scruffily bearded and riding his bike to work) appeared in a National Geographic photo-essay about the microchip revolution. His personality was portrayed as symbolic of a culture that would change the world. Decades later, Apple employees, customers, and the press still can’t get enough of Jobs. The tale of how he dropped out of college, cofounded Apple, got fired from his own company, returned years later to save it, and then transformed it by creating a whole new business with the iPod and iPhone is the stuff of legend. He is famously secretive about his personal life, but thousands of news articles pry into it, such as when he took a leave of absence for undisclosed health reasons in 2009 (the world later learned that Jobs had a liver transplant).

Despite his unpredictable temper, many people inside and outside of Apple admire and respect—some would say worship—Steve Jobs. They tell their “Steve-Jobs-yelled-in-my-face” stories with pride. His energizing personality and his refusal to “sell out” make people want to be around him and want to be like him. Indeed, one magazine article commented that the amazing staff loyalty he inspires has turned Apple into “Steve Jobs with a thousand lives.” In addition, Jobs has proved that he is both a technological wizard and a master of innovation and insight into customer needs, giving him expert as well as referent power.31

IN THE LEAD

Sheila Bair, Federal Deposit Insurance Corporation

As chair of the Federal Deposit Insurance Corporation (FDIC), Sheila Bair has emerged as one of the most powerful, as well as the most courageous, people in Washington. She was one of the first to propose helping distressed homeowners and stop foreclosures with loan modifications and has stood her ground against intense criticism. Her strong lobbying efforts have given the FDIC and Bair increasing power. “She very likely will be the only agency head to come out of this crisis with an enhanced reputation,” said Carmen Fine, president and chief executive of the Independent Community Bankers of America. When her term as chair expires in 2011, Bair will likely be well positioned for another high-level job. Forbes magazine ranked her the second-most powerful woman in the world, behind only German Chancellor Angela Merkel.

Bair is a skilled politician who first learned the value of developing allies when she worked for former U.S. Senate Majority Leader Robert Dole. People who have negotiated with her say she is always willing to listen. “We don’t always agree,” said Carmen Fine, “but her door has always been open and she consults with everyone.”
Although Washington regulators try to present a united front, sources have said that behind the scenes Bair and U.S. Treasury Secretary Timothy Geithner disagree strongly over how to fix the financial mess. Bair has developed steadfast allies within the Obama administration, and even some people who once called for ousting her as FDIC chair have allegedly swung their support her way. “Eventually, Sheila will be the way we go,” said Christopher Whalen, head of consulting firm Institutional Risk Analytics. “She could eventually be the next Secretary of the Treasury.”

Paul Wolfowitz, World Bank

After former Deputy Secretary of Defense Paul Wolfowitz lost his bids to become defense secretary or national security advisor in the Bush administration, he jumped at the chance to be the new president of World Bank. But Wolfowitz doomed his career at World Bank from the start by failing to develop relationships and build alliances.

Most World Bank leaders had been in their positions for many years when Wolfowitz arrived, and they were accustomed to “promoting each other’s interests and scratching each other’s backs,” as one board member put it. Wolfowitz came in and tried to assert his own ideas, goals, and formal authority without considering the interests, ideas, and goals of others. He quickly alienated much of the World Bank leadership team and board by adopting a single-minded position on key issues and refusing to consider alternative views. Rather than attempting to persuade others to his way of thinking, Wolfowitz issued directives to senior bank officers, either personally or through his handpicked managers. Several high-level officers resigned following disputes with the new president.