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978-0-521-70328-4 - Power and Interdependence in Organizations

Edited by Dean Tjosvold and Barbara Wisse

Excerpt

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Introduction

The sole advantage of power is that you can do more good.

Baltasar Gracian, *The Art of Worldly Wisdom*, 1647

Nearly all men can stand adversity, but if you want to test a man's character, give him power.

Abraham Lincoln (1809–1865)

Power tends to corrupt, and absolute power corrupts absolutely.

Lord Acton, Letter to Bishop Mandell Creighton, 1898

Power pervades everyday life in organizations and society and can be highly constructive but also very destructive. The powerful overcome adversities to unite and liberate countries; the powerful also suppress and demoralize. Power can mobilize us to rescue people from tragedies but also to bring havoc. Power helps us get things done that we cannot do alone, for good and for evil. It affects our dealing with crises but also our everyday activities. Power is inevitable in our organizations: the issue we confront is to understand when it is constructive and when it is destructive.

Power plays a key role in organizations and groups, indeed in all social contexts. Organizations – with their hierarchical structure, interdependent relationships, and the potential goal incompatibilities of the parties – are major arenas where power processes occur. Chapters in this book explore the positive and negative faces of power and interdependence in organizations; they identify opportunities and threats. Together the chapters advocate the need to manage power in order to take advantage of it and guard against its destructiveness.

The need to manage power crosses all boundaries; we need knowledge developed worldwide to help us manage power constructively. This book advances our understanding of power by providing a forum for researchers from many countries to review their findings and develop their perspectives. Understanding power provides us with directions for how we can make power work for ourselves and our organizations and world.

Defining power

A critical first step to understand and manage power is to have a useful definition. Ideally, this definition is agreed upon so that we communicate accurately in our discussions and in our research. Using one term to mean many things breeds confusion. Knowledge should be cumulative in that researchers are all documenting the dynamics of the “same” thing.

Unfortunately, power is such a pervasive phenomenon and involves many important issues, including moral ones, that agreeing on a definition of power has proved difficult; imposing a definition is impossible. Indeed, even holding a discussion about it is a challenge. Some researchers seem to assume that defining power is too obvious even to specify; others just give up. This section briefly reviews major alternatives. Chapter authors generally use one of these definitions though they may emphasize different aspects.

Before zooming in on the different alternatives, let us try to capture those issues on which there appears to be consensus. First, researchers recognize that power involves perceptions and meaning rather than the objective state of affairs. People’s beliefs and perceptions directly influence actions in social situations. Of course, the objective situation has an impact on these understandings and thereby on people’s actions. Second, it is generally acknowledged that power is social in that it occurs and is exercised in interdependent settings. People have power within and as part of a social situation. Even power considered as an individual difference involves other people. Individual power needs are typically defined in terms of wanting to have an impact on other people and are exercised in social situations (McClelland 1970). Power is a subjectively experienced phenomenon that occurs in social, interdependent situations.

Alternative views of power are based on two major disagreements. The first is that some researchers consider power as a capacity (also called potential and ability), whereas others consider power as actual or realized influence. Another major difference is whether power is considered to affect outcomes (costs and benefits) or to involve influence where the target actually complies with action. The term “action” is a broad one and includes “thought” actions (such as attitudes and beliefs), affective states (such as sentiments, moods and emotions), and overt behaviors.

These different assumptions result in several definitions of power. In our explanation of the definitions we focus on dyadic situations. Of course, power processes take place in and between groups as well.

1. Power as the potential to influence another's actions. This definition implies that a high-power person could influence a low-power person to perform a behavior if the high-power person wants to.
2. Power as the potential to overcome resistance. This implies that a high-power person could influence another person even though this person does not want to perform the targeted action. This is a more restrictive definition than potential to influence another's actions.
3. Power as the potential to affect outcomes. According to this definition, high-power persons have resources that can affect the benefits and costs (the goal movement in field theory terms, success or failure in popular terms) of others. This definition implies that the high-power person has power bases, that is, resources valued by the low-power person; the low-power person values these resources because they can affect his or her outcomes.
4. Power as the potential to bring about desired change. Here the high-power individual has the ability to make things happen in a social setting, that is, to implement the change that the person in power desires. The power-holder may work with or against others to accomplish desired ends.
5. Power as actual influence: The person in power has successfully influenced another person. This definition involves actual influence. It requires that the power is exercised, that it be done.
6. Power as actually overcoming resistance. The power-holder has successfully influenced another person to do as the power-holder wants even though this person prefers not to do the targeted action. Note that this is a more restrictive definition of the previous definition.

The Editors prefer Definition 3: Power is the potential to affect outcomes. Powerful persons have resources that are valued because they can affect the extent to which the ones subject to power can achieve their goals. Powerful people can make the life of those subject to power better or worse, though they may not be able to get them to do their bidding. The capacity to affect outcomes is a basis for influence, for affecting the other's actions, but having the capacity does not insure that it is skillfully and successfully implemented to influence others. However, this definition preference is just that of the editors! Chapter authors have

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chosen their own definitions that often lead directly to the aspect of power they explore.

Power and interdependence in organizations

Managers, employees, and colleagues are interdependent in that they have power over and with each other. That we depend upon each other is perhaps the most basic reality of organizations and our social lives. We each have ideas, knowledge, effort, money, and opinions that others value, and others have abilities that we value. We have resources that can help and frustrate others' goals and aspirations but they have resources that affect our goals too. To be successful, people in organizations must coordinate and make use of each other's abilities and resources.

Individual workers, including entry-level ones, are clearly dependent on others for job opportunities and rewards, but, you might ask, are they also powerful? They are hired because they are thought to have valued resources that can be applied to get things done. Why hire them if they are not able to assist? Some people are even hired because of who they know; they have the ability to find other people who have knowledge and authority that can help get things done.

Chief executive officers (CEOs) surely have resources that others value, but are CEOs also dependent? One might argue that CEOs are in a way the most dependent of all in an organization. They need everyone to do their job and to coordinate with each other if they are going to fulfill their goal of having a prosperous organization. Employees who do not contribute frustrate the CEO's objectives. Those who behave unethically can tarnish the CEO's reputation.

Power is part of how an economy and society as a whole work. Organizations have power over each other as they depend upon each other. Manufacturers rely upon suppliers for quality, cost-efficient parts delivered in a timely manner; suppliers need manufacturers as their customers. In the global marketplace, the lines of interdependence have expanded. Korean manufacturers rely on Indian suppliers as well as marketing organizations in North America. Financial and trade markets in one country also depend on those in another. Some Hong Kong brokers must be at work at dawn to discuss with their New York colleagues; others have to stay late into the night to coordinate with Europe. Increasingly, what happens "over there" also affects what happens "here."

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Power is very much a part of relationships where people affect each other and depend upon each other, including the relationships between boss and employee, among team members, and between departments, organizations, and countries. As our chapters document, the quality of the relationships greatly affects how power is managed and its impact.

The need to manage power

Power and interdependence are major themes for organizations of the twenty-first century, critical both for developing our theoretical understanding and promoting organizational effectiveness. We must manage power as it has both a constructive and destructive face. How can we develop the positive aspects of power and control its destructiveness? So far managers and employees have been given little help to manage power.

Commentators, researchers, and managers both in the USA and elsewhere have traditionally elaborated on the negative view of power (Tjosvold 1967). Professional and academic discussions tend to rephrase the negative dynamics of power with some references to positive forms of power and empowerment. Power differences are often thought to frustrate direct, honest discussion and mutual relationships. Managers may feel obligated to protect their superior position and to assert their superior competence by trying to dominate employees (Argyris and Schon 1978; Kipnis 1976; McClelland 1970, 1975). Employees, feeling intimidated and vulnerable because they feel they have little recourse to their bosses' arbitrary decisions, restrict themselves to that which supports the boss, leaving them unable to discuss their conflicts openly and constructively (Hurwitz et al. 1968; Solomon 1960).

Wouldn't life be better without power or with everyone having equal power so that its effects can be neutralized? But power cannot be wished away or neutralized. Although seldom is power one-way (i.e. employees have resources valued by even dictatorial bosses), it is unrealistic that organizational members have the same power over each other. Even within a cohesive small group, members will have diverse resources that become valued at different times. Equal power in the sense of mutual power is not only possible but also common. But equal in the sense of identical or the same amount is unrealistic and in many cases undesirable. There is no reasonable alternative to managing our power.

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Chapters in this book develop theorizing guided by empirical research to document the value of power and to identify the organizational and individual conditions under which power promotes individuals and organizations. As you will discover reading the chapters, developing the positive face of power as well as controlling its negative face has great potential for making our organizations more humane and more productive. However, learning to make power in our organizations a constructive force will be a challenge for many years to come.

The book

I have no patience with scientists who take a board of wood, look for its thinnest part, and drill a great number of holes where drilling is easy.

Albert Einstein

The fact that a problem will certainly take a long time to solve, and that it will demand the attention of many minds for several generations, is no justification for postponing the study. And, in times of emergency, it may prove in the long run that the problems we have postponed or ignored, rather than those we have failed to attack successfully, will return to plague us. Our difficulties of the moment must always be dealt with somehow; but our permanent difficulties are difficulties of every moment.

T. S. Eliot

Recent years have witnessed a reemerging interest in the origins and consequences of power and interdependence. However, the literature is fragmented, and our research progress is halting; interesting studies appear but few perspectives are empirically and theoretically systematically developed.

The book provides a forum for active researchers to develop their approaches to understanding power and interdependence in organizations, to summarize what is known, to identify obstacles to our efforts, and to point to how we might proceed. It revisits the enduring issue of power in a fresh way. Chapter authors capitalize on the developments over the past twenty years and point to innovative and inspiring ideas very much needed as organizations cope with the demands of our global, interconnected marketplace and world. The book brings together researchers from Europe, North America, and Asia with academic backgrounds in psychology, business, and sociology. As a consequence, the book offers many different perspectives on power and interdependence.

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The chapters are the core of the book and its rationale. They are organized into five sections:

1. Relationships to manage the faces of power.
2. Participative leadership: leading with others.
3. Exchange dynamics and outcomes.
4. Power to influence.
5. Leading with values.

You can compare and contrast how authors have approached major issues of power. You will see the diversity and controversies within this research.

These sections are not, by the way, the ones originally proposed and distributed to the authors. Chapter authors, like everyone else but even more so, make up their own minds. And well they should, for these chapters are opportunities for them to develop their emerging research perspective, not to “cover” a particular issue deemed relevant by the editors.

Relationships to manage the faces of power

Chapters in this section outline approaches to developing relationships within and between organizations for constructive power. Based on his long-term commitment to the study and teaching of power, Jeffrey Pfeffer argues that we have made progress but our attitudes toward power are still highly ambivalent. Researchers should identify both the structural, sociological drivers of power dynamics and the psychological, individual aspects. An in-depth understanding of power will be invaluable for organizations and highly useful for our students as they manage their careers.

David Winter also brings considerable experience to bear on the positive and negative faces of power, in particular the taming of its destructive face. He shows that religion, love, and responsibility can tame power but they can also feed its havoc. He proposes that “historical generative consciousness” convinces the powerful to use their potential constructively. In addition to their immediate group, these leaders include diverse out-groups as part of their community, recognizing that the welfare of their own group cannot be long sustained without the support of other groups. He also shows that social scientists can write beautifully crafted chapters!

Barbara Wisse and Daan van Knippenberg describe how individuals see themselves very much affects their relationships with

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others and in particular how they approach power. People can develop a personal self-construal when they emphasize that they have a unique identity; they can also emphasize their collective, interdependent self where they see themselves as part of a group. Personal self-concepts may lead to an emphasis that interests are distinct and incompatible and thereby to using power to promote oneself at the expense of others. In contrast, assuming that their interests match, people with an interdependent self use their power to help each other be productive and to support each other. Selecting and orienting people to construe their own identity in terms of being an organization member should then very much contribute to the positive face of power.

Joris Lammers and Adam D. Galinski similarly emphasize that whether people consider themselves as collectivistic or individualistic very much affects the dynamics and outcomes of power. Their findings also identify legitimacy as another major condition that affects the extent that power can be constructive. When people believe power is reasonable and potentially useful for helping others accomplish valuable goals, power helps the powerful feel secure and free to act. Believing that power is for mutual purposes rather than to promote self-interest also contributes to making power constructive; collectivist values reinforce the positive effects of power.

Dean Tjosvold and Peiguan Wu argue that the kind of interdependence very much affects the dynamics and outcomes of power and use theory and research on cooperation and competition to examine these effects. Experimental and field studies show that organizational members, both when they have similar or unequal status, apply their power resources for mutual benefit, strengthen their relationships, and recognize and appreciate each other's power when they believe their goals are positively related but not when they believe they have competitive, incompatible goals. Studies specifically document that collectivist values have their constructive impact on power dynamics by strengthening cooperative goals. Developing cooperative relationships, by such methods as assigning common tasks and training in the skills of open-minded discussion, is a practical way to make power constructive.

Participative leadership: leading with others

Chapters in this section focus on the power relationship between managers and employees and, more specifically, on how they can work

together to make decisions and manage. George Graen integrates leader-member exchange research showing the value of high-quality relationships for effective leadership with a network perspective. He proposes that leaders and employees focus on “relationship sharing” where they develop mutually respectful and powerful relationships within their teams. Ideally, they develop competent networks that can not only accomplish challenging projects but also strengthen individuals and promote their careers.

David De Cremer and Marius van Dijke relate important implications of procedural justice research for understanding power. Integrating research from power and justice, they argue that subordinates are typically highly concerned about the potential abuse of power. Managers can allay these concerns and consequently secure their power and control by involving employees in decision-making and giving them voice. Studies also indicate that leaders who confront instability are concerned about how others view them and have a high sense of power and are especially motivated to reaffirm their power through procedural justice.

Also, arguing that giving employees voice contributes to organizational decision-making and indeed may solidify managers' positions, Peter T. Coleman wonders why so few managers involve employees. Coleman found that their implicit theories make leaders reluctant to use participation despite research and professional practice indicating its value. Managers tend to assume that power is limited; if employees are powerful, then they must be less powerful. Key then to leaders being more open and participative is for them to understand that power is expandable, that when employees become more powerful, they can be more effective and more appreciated.

Exchange dynamics and outcomes

Exchange theorists directly examine how the powerful and those subject to power treat each other in terms of how they use their power to reward and punish. Following the sociologists Peter Blau and Richard Emerson, they use the basic idea of exchange to understand the complex ways that the powerful and less powerful interact.

Linda Molm summarizes that reciprocal exchanges result in trust, positive evaluations, feelings of solidarity and fairness. Noting that exchange theorists have traditionally examined the exchange of

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benefits, she suspected that exchanging punishments would not simply yield mirror-image effects. Although the power to reward leads to its use, the power to punish does not. Her research also underlines that while the powerful may resist change, the disadvantaged typically work to alter the power imbalance. They use networks to form alliances to increase their power and form coalitions to reduce the powerful's alternatives.

Edward J. Lawler and Chad A. Proell have elaborated on the exchange perspective by highlighting that it can be both non-zero-sum and cooperative, or zero-sum and competitive. They have begun the difficult but potentially highly useful integration of exchange theory perspective on power with emotions. Exchanges are between people who react, not just with calculations of exchanging benefits and punishments but with strong feelings when they have and use power to solve problems. Indeed, expressing emotions can increase power. They propose a broad model of power that includes how power affects the powerful's freedom and motivation to act and strategies to use power.

Alice H. Eagly and Agneta Fischer are not exchange theorists but they have organized and documented pervasive unequal exchange dynamics and relationships, specifically, the exchange between women and men in organizations worldwide. Their evidence is more than a basis for recognizing an injustice: It is a stinging indictment and call for action. They and their evidence do not suggest that change is easy or will come quickly. But there is hope. Indeed, as exchange theorists have argued, the disadvantaged are working to alter the inequality and are making progress.

Power to influence

Previous chapters have reviewed research indicating that power can affect relationships, motivation, and emotions even without influence attempts. Authors in this section have studied how power affects the choice of influence tactics and their success. They have drawn upon considerable research to offer several frameworks for understanding power's role in influencing others.

Gary Yukl has developed his framework over decades of focused research for understanding power as the capacity to influence attitudes and actions in desired ways. His chapter reviews the different types of influence tactics that have been identified. His research points toward