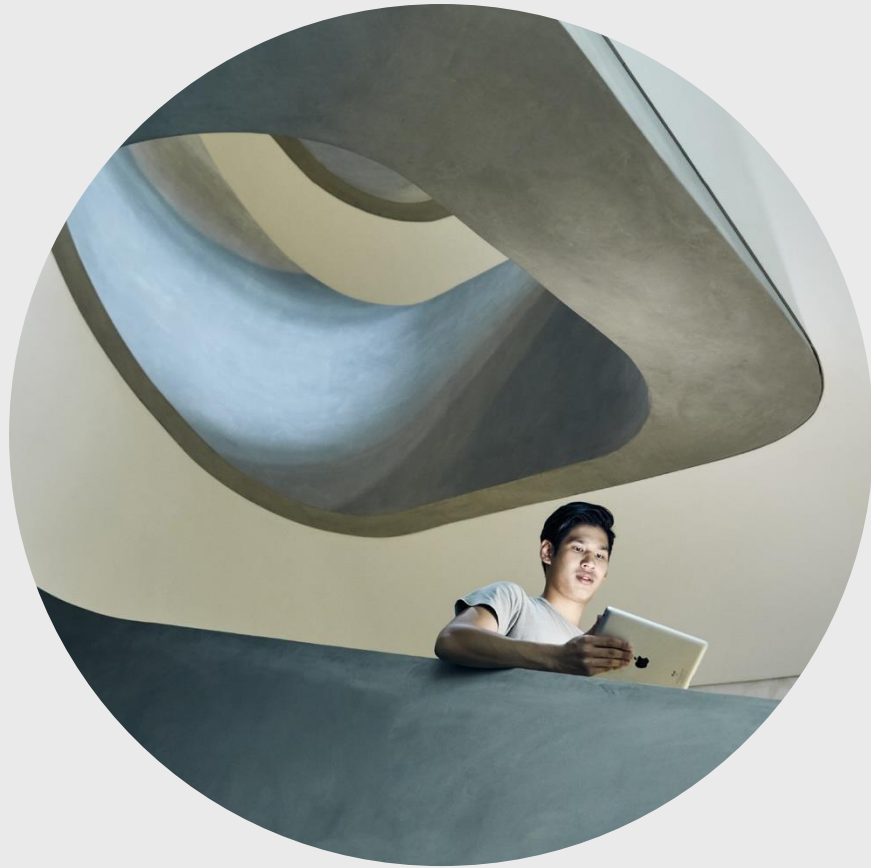


# Week 5 Lecture

21512 Understanding Organisations:  
Theory and Practice



Dr/ Rebecca Dong UTS Business School



## Contents

Organisations as Social Systems – Power Structures, Political Dynamics and Culture

- ❑ Power: Sources and Uses
- ❑ Political Behaviour: Reasons, Managing the Effects

## Learning objectives

*At the end of the session, you should be able to:*

- a) Describe power, politics and culture in the context of organisations as social systems
- b) Describe the following:
  - i. Bases of power*
  - ii. Uses of power*
  - iii. Political behaviour in organisations*
  - iv. Ways and means to manage political behaviour in organisations*
  - v.*

# Power & organizations

**“To understand organizations one needs to understand organizational politics”**

Pfeffer (1992: 29).



Jeffrey Pfeffer: If Power is So Simple, Why is Getting it So Hard?

## Power and Organizations

- **Power** is the potential ability of one person or department to influence other people
- When referring to the influence of a single person, power can be categorized as either hard or soft:
  - **Individual hard power** includes legitimate power, reward power, and coercive power
  - **Personal soft power** includes expert power and referent power
- **Organizational power** is the result of structural characteristics



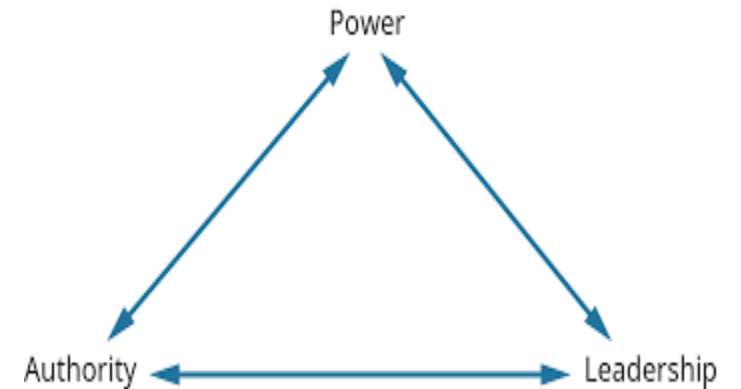
# Power in Organisations

## Power

- *A capacity that A has to influence the behavior of B so that B acts in accordance with A's wishes.*
- *Used as a means for achieving goals.*
- *Involves one person changing the behavior of another*
- *Requires follower dependency (B's relationship to A when A possesses something that B requires).*

- Legitimate Power
- RIGHT to impose compliance

- Informal Authority
- Capacity to impose compliance



- Ability to gain voluntary commitment from others beyond compliance

## Power Versus Authority

- **Authority** achieves desired outcomes but only as prescribed by the formal hierarchy and reporting relationships:
  - Authority is vested in organizational positions
  - Authority is accepted by subordinates
  - Authority flows down the vertical hierarchy
- Authority is exercised downward along the hierarchy while power can be exercised upward, downward, and horizontally

# WHAT IS POWER?



**Different understandings  
of power**

**“Power  
to”**

**“Power over”**

**Different ways  
of seeing power**

**Agency view  
vs Systemic view**

**Visible vs  
invisible power**



# Different views of power



## Power “over”

It is the capacity to cause actions in others



## Power “to”

It is the capacity to do things,  
and to bring about change





*“A has power over B to the extent that he can get B to do something that B would not otherwise do”  
(Dahl 1957:202-3).*

**Power is seen as a form of control and/or domination of one individual or group over others**



*power as the “ability not just to act, but to act in concert” (Arendt, 1972: 143)*

**Power make possible collaboration and it is a property of groups, while individuals can only be ‘empowered’, and not ‘own’ power.**

What gives individuals power?  
Why do people obey orders?

AGENCY  
POWER

SYSTEMIC  
POWER

VISIBLE  
FORMS

INVISIBLE  
FORMS

# Visible & agency based (coercion)



**Exchange  
based  
power**  
(Crozier &  
Friedberg, 1980)

- **Asymmetrical exchange** based on control of relevant resources.  
Assumptions:
- individuals have **conflicting interests** and goals
- one agent can gain only at the expense of another (“**zero sum**” game):
- it is based on the control of some type of **resource**

# Visible & agency based (coercion)



## Exchange based power

(Crozier &  
Friedberg, 1980)

Source of power: **UNCERTAINTY**

Examples:

- discretionary application of rules,
- exclusive know-how
- control of relevant information,
- “gate keeping” role



# Example: the French monopoly



See textbook

# Visible & system based (domination)

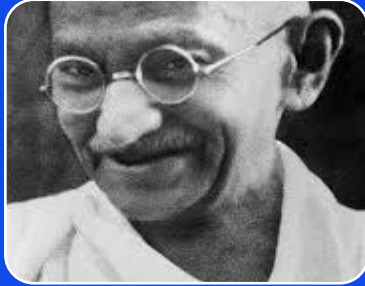


**Authority**  
(Weber, 1968)

**LEGITIMATE DOMINATION:**  
People obey because they believe  
the command is legitimate  
(compliance is voluntary): based  
on social roles



# Authority and legitimation



## CHARISMATIC

- Source: higher power/principles
- E.g. Gandhi, but also Stalin or Hitler



## TRADITIONAL

- Source: long established social structures
- E.g. monarchs, senior people



## RATIONAL-LEGAL

- Source: formal rules
- E.g. police

# Invisible Agency power (manipulation)

## “Non decisions”

(Bachrach &  
Baratz, 1962)

- Power exercise is not necessarily visible
- Power can be exercised by keeping matters off the decision-making agenda
- In this case there is no open struggle: the winner is who has the possibility to determine the agenda of the discussion in advance





# Invisible & systemic power

Meaning  
making (what is  
taken for  
granted)

- “Power could be used to prevent conflict by **shaping [people’s] perceptions, cognitions, and preferences** in such a way that they accept their role in the existing order of things, either because they can see or imagine **no alternative** to it, or because they view it as **natural** and unchangeable, or because they value it as **divinely ordained** and **beneficial**. “  
(Lukes, 1974: 24)



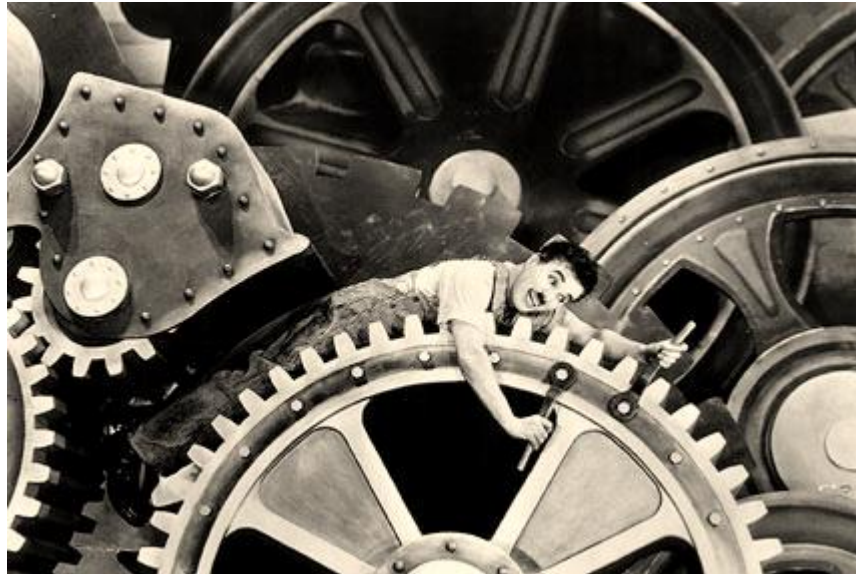
**Hegemony:** indirect and tacit form of control, exercised by the ideological effects of various institutions that “naturalise” ideas and principles that support the establishment  
(Gramsci, 1992)



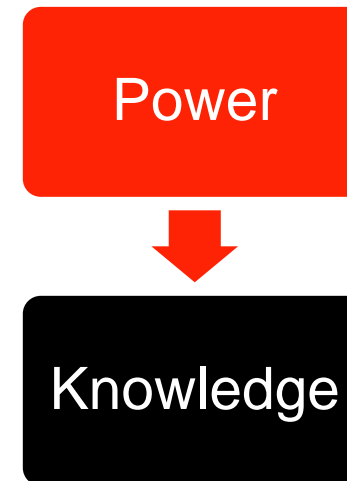
# Power as a discipline



**Power produces “domains of objects and rituals of truth” (Foucault, 1977:144)**  
**This power is invisible, pervasive and defines our perception of reality and identity**



Readings: [Clegg \(2009\)](#)





# Systemic power is everywhere

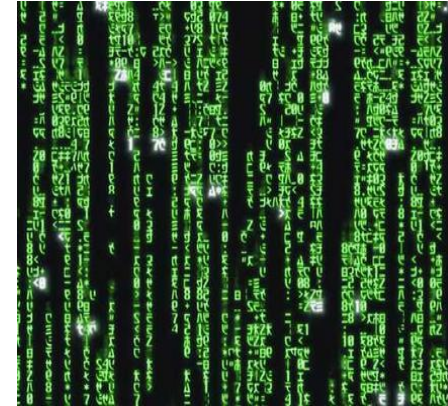


Power is a network of relationships that occurs everywhere in everyday life, and it is not limited to political institutions.

It operates through “disciplinary technologies”, that catalogue and order reality.

People bodies become organized and normalized through routines. For instance Medicine can be seen as a source of body surveillance, as the religious confessional in previous eras (Foucault, 1978)

Power is a matrix of relations in a given society at a given time, and no-one is outside or above this matrix (including the ruling classes)



# Obligatory passage points



Different levels of power interact through *obligatory passage points*, moments and situations when the taken-for-granted rules and practices are negotiated and fixed

**Example:** *consider the impact of new technology for a doctor in an hospital, and compare its impact for a shop assistant in a supermarket*



Stewart  
Clegg  
(1989)

# Meaning of power according to Clegg's model

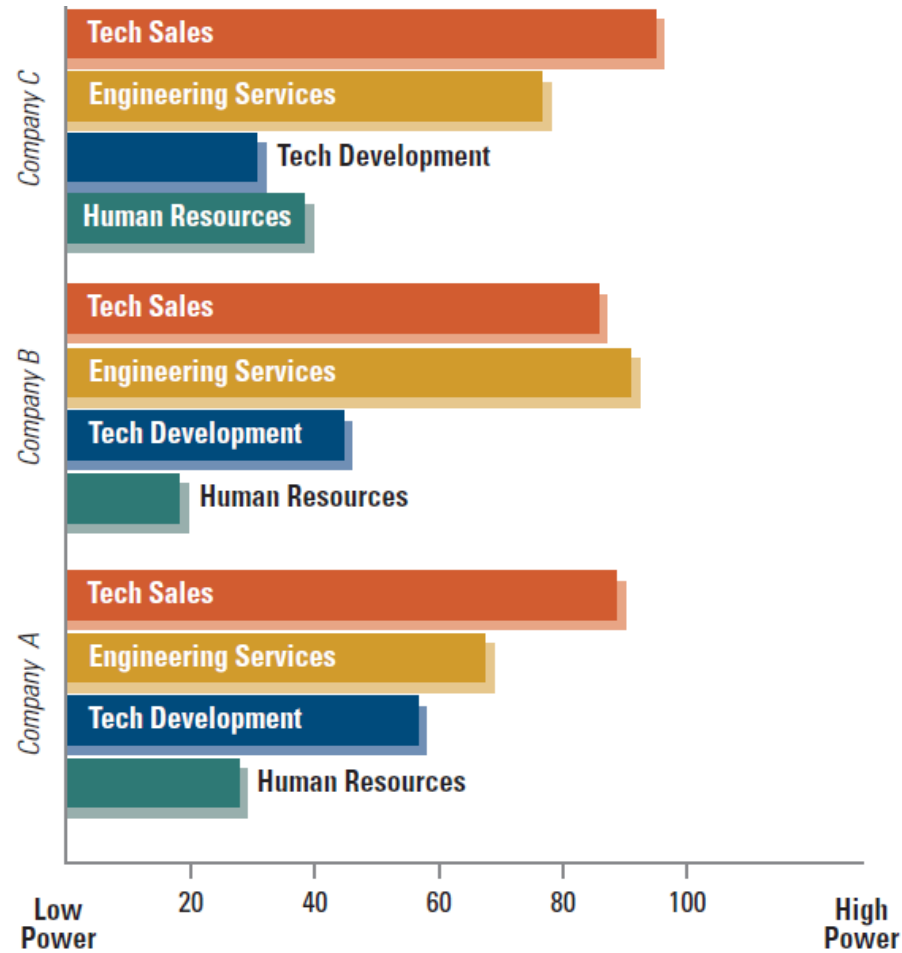


Power is an unescapable relation among people struggling for meaning (i.e. to assert what they believe is their own rights, interests, and/or deciding what is right or wrong)

## Horizontal Sources of Power

- Horizontal power pertains to relationships across departments, divisions, or other units
- It is not defined by the formal hierarchy or the organization chart
- Departments involved with **strategic contingencies** tend to have greater power than departments not involved in such events and activities
- Such departments have one or more **power sources**: interdepartmental **dependency**, financial resources, **centrality**, **nonsubstitutability**, and coping with uncertainty

# Ratings of Power Among Departments in a Technology Firm



# Vertical Sources of Power

Formal position is the legitimate power accrued to top positions

Resources can be used as a tool for power

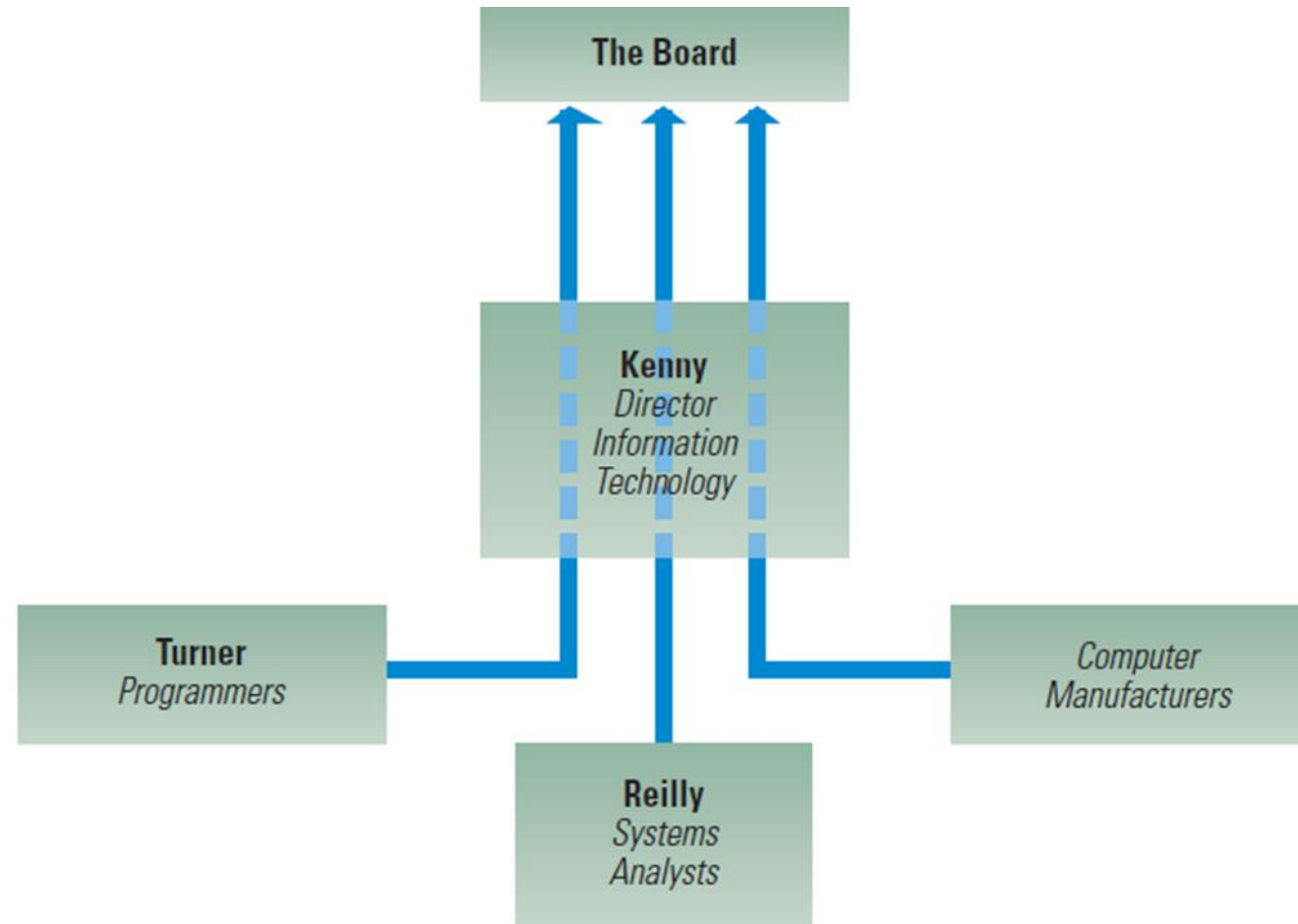
Control of information, a primary business resource, can influence how decisions are made

Network centrality—being centrally located in the organization and having access to critical information and people—provides more effectiveness and influence

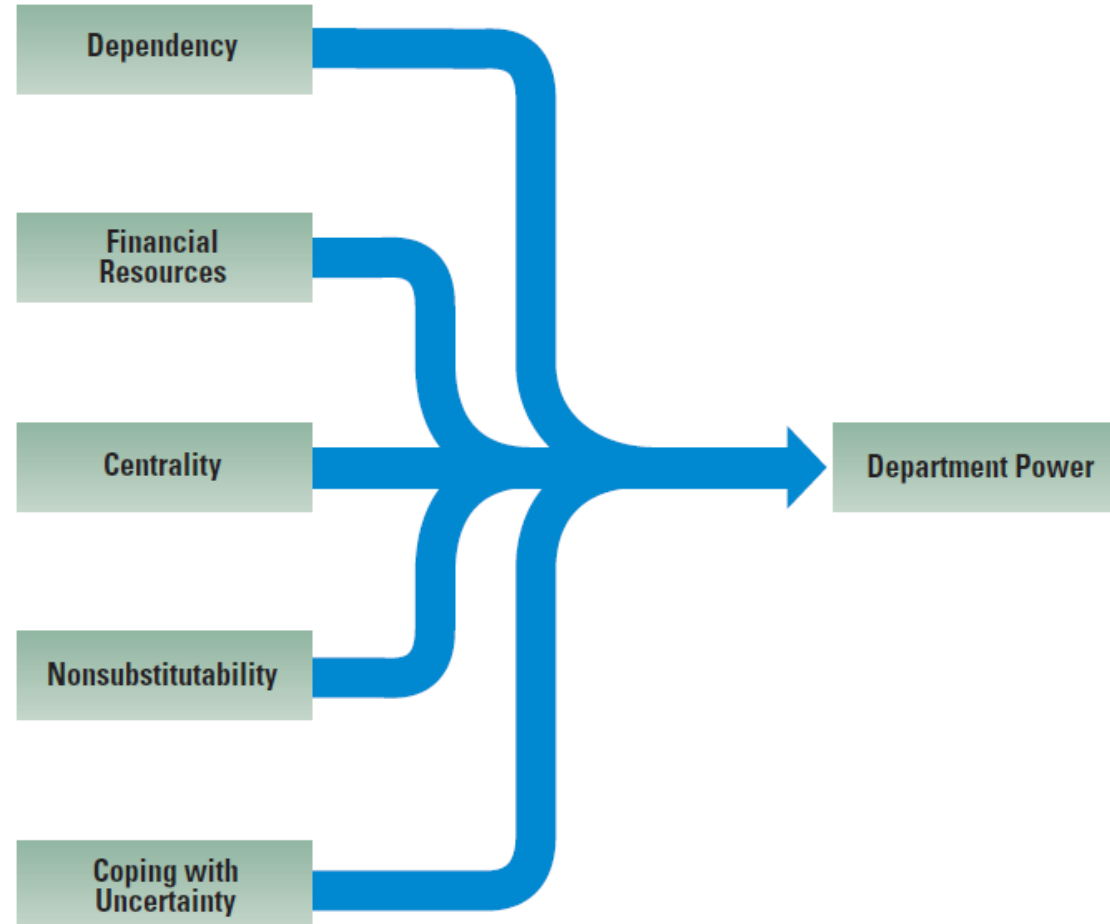
Loyal and supportive managers help top executives achieve their goals for the organization



## Information Flow for IT System Decision at Clark Ltd.



# Strategic Contingencies That Influence Horizontal Power Among Departments



## What's in it for you?

- Power can be developed and wielded by anyone in the organisation.
- Power be used and misused within an organisation.

# Bases of Power: How can you develop your power within organisations?

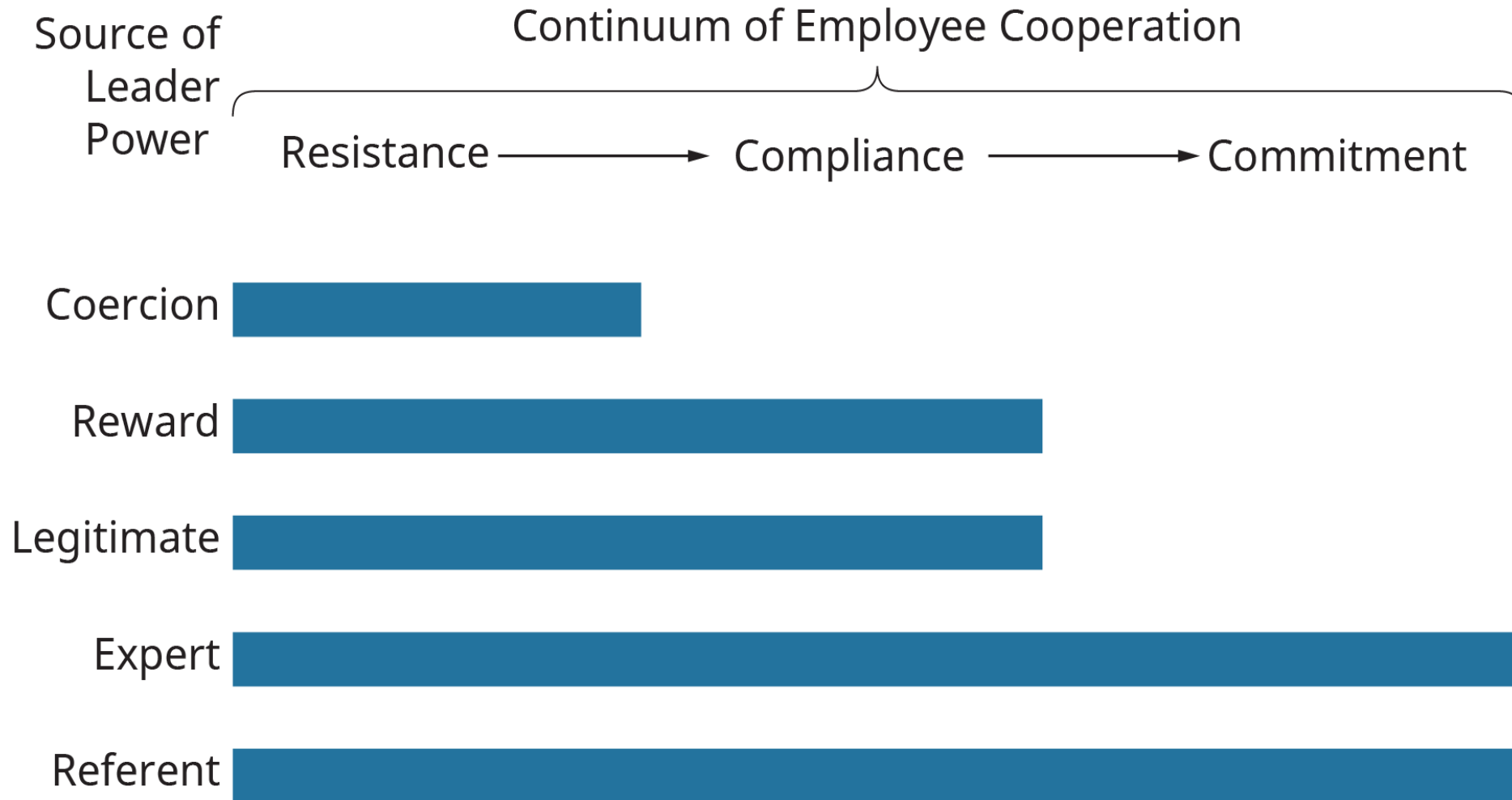
## Charismatic Power

**Table 1.1** Five Bases of Power

<b>Referent Power</b>	Based on followers' identification and liking for the leader. A teacher who is adored by students has referent power.
<b>Expert Power</b>	Based on followers' perceptions of the leader's competence. A tour guide who is knowledgeable about a foreign country has expert power.
<b>Legitimate Power</b>	Associated with having status or formal job authority. A judge who administers sentences in the courtroom exhibits legitimate power.
<b>Reward Power</b>	Derived from having the capacity to provide rewards to others. A supervisor who gives rewards to employees who work hard is using reward power.
<b>Coercive Power</b>	Derived from having the capacity to penalize or punish others. A coach who sits players on the bench for being late to practice is using coercive power.

SOURCE: Adapted from "The Bases of Social Power," by J. R. French Jr. and B. Raven, 1962, in D. Cartwright (Ed.), *Group Dynamics: Research and Theory* (pp. 259–269), New York: Harper & Row.

# Behavioural Consequences of Power



# Uses of Power

## Common Power Tactics in Organizations

- Controlling Access to Information – tacit knowledge; pay secrecy (only top managers know)
- Controlling Access to Persons - gatekeepers (e.g. secretary or executive assistant)
- Selective Use of Objective Criteria (Decision-making) – e.g. use of expert power to inform decision criteria (e.g. criteria for job promotion)
- Controlling the Agenda – control over what is covered and decided in a meeting
- Using Outside Experts (to support and advance one's case or position)
- Bureaucratic Gamesmanship (e.g. delays and rigidities)
- Coalitions and Alliances (politics) – forming alliances, networks, coalitions to protect or advance one's cause



A group of business professionals in a meeting. A man in a dark suit and striped tie is on the left, gesturing with his hand. A woman in a grey blazer is in the center, holding a smartphone. Another person is on the right, partially visible. They are gathered around a table with a tablet displaying a presentation with charts and text. There are also coffee cups on the table.

## Politics in Organisations

# Politics in Organisations

***Politics is the use of power to influence decisions toward goals***

## Political Behaviour

- Activities that are not required as part of one's formal role in the organisation, but that influence, or attempt to influence, the distribution of advantages or disadvantages within the organisation.
- Often appears in situations of uncertainty or conflict over choices
- Often happens outside accepted channels of authority



# Political Processes in Organizations

- Politics is the use of power to influence decisions toward goals
- **Organizational politics** involve activities to acquire, develop, and use power to influence others
- Politics is a mechanism for arriving at consensus when there is high uncertainty and disagreement over goals or priorities
- The **domains of political activity** in most organizations are:
  - Structural change
  - Management succession
  - Resource allocation



Conditions Conducive to Political Behavior	
Prevailing Conditions	Resulting Political Behaviors
Ambiguous goals	Attempts to define goals to one's advantage
Limited resources	Fight to maximize one's share of resources
Dynamic technology and environment	Attempts to exploit uncertainty for personal gain
Nonprogrammed decisions	Attempts to make suboptimal decisions that favor personal ends
Organizational change	Attempts to use reorganization as a chance to pursue own interests and goals

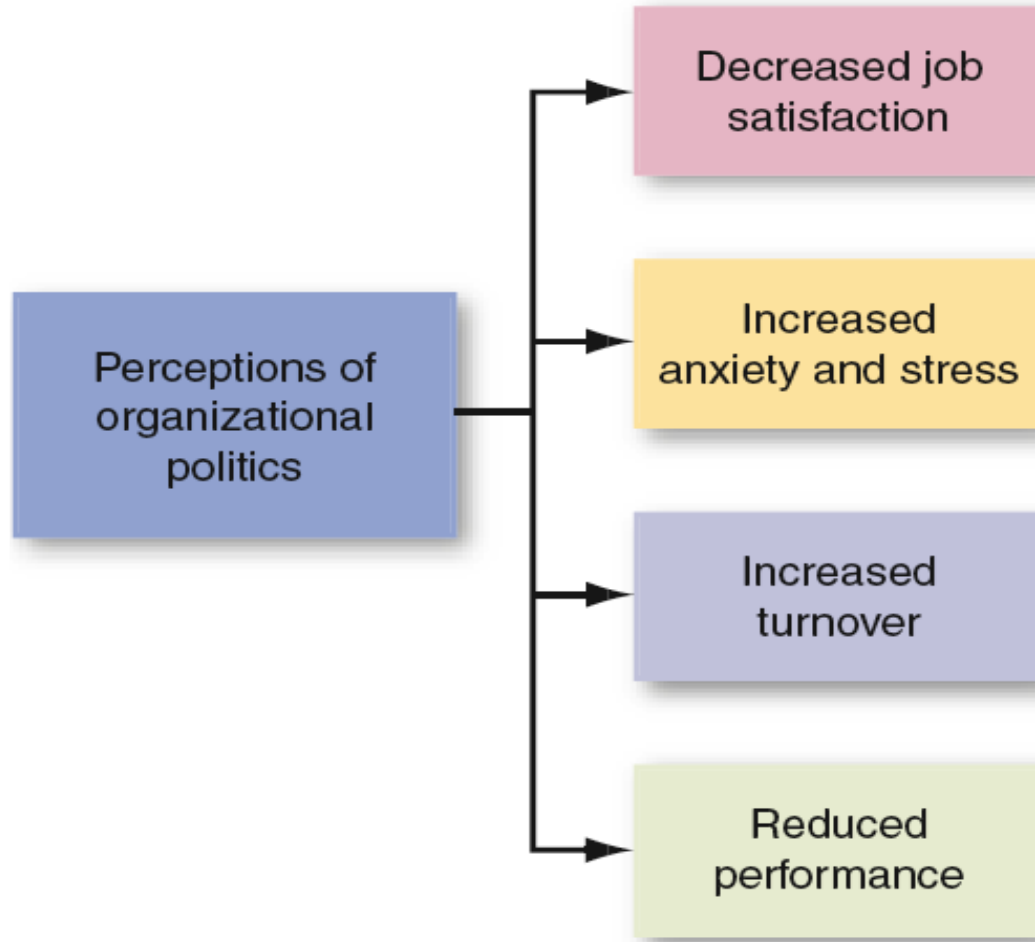
# Harnessing Organisational Politics

Are organisational politics getting in the way of your gender equity efforts? These expert tips will help you work with organisational politics as a positive force.





# Employee Responses to Organisational Politics



# Interdepartmental Conflict in Organizations

**Intergroup conflict** requires three ingredients:

- Group identification
- Observable group differences
- Frustration

This type of conflict is similar to **competition** but more severe

Intergroup conflict can occur horizontally across departments or vertically between different levels of the organization





## Sources of Conflict

- **Sources of intergroup conflict are:**
  - Goal incompatibility
  - Differentiation
  - Task interdependence
  - Limited resources



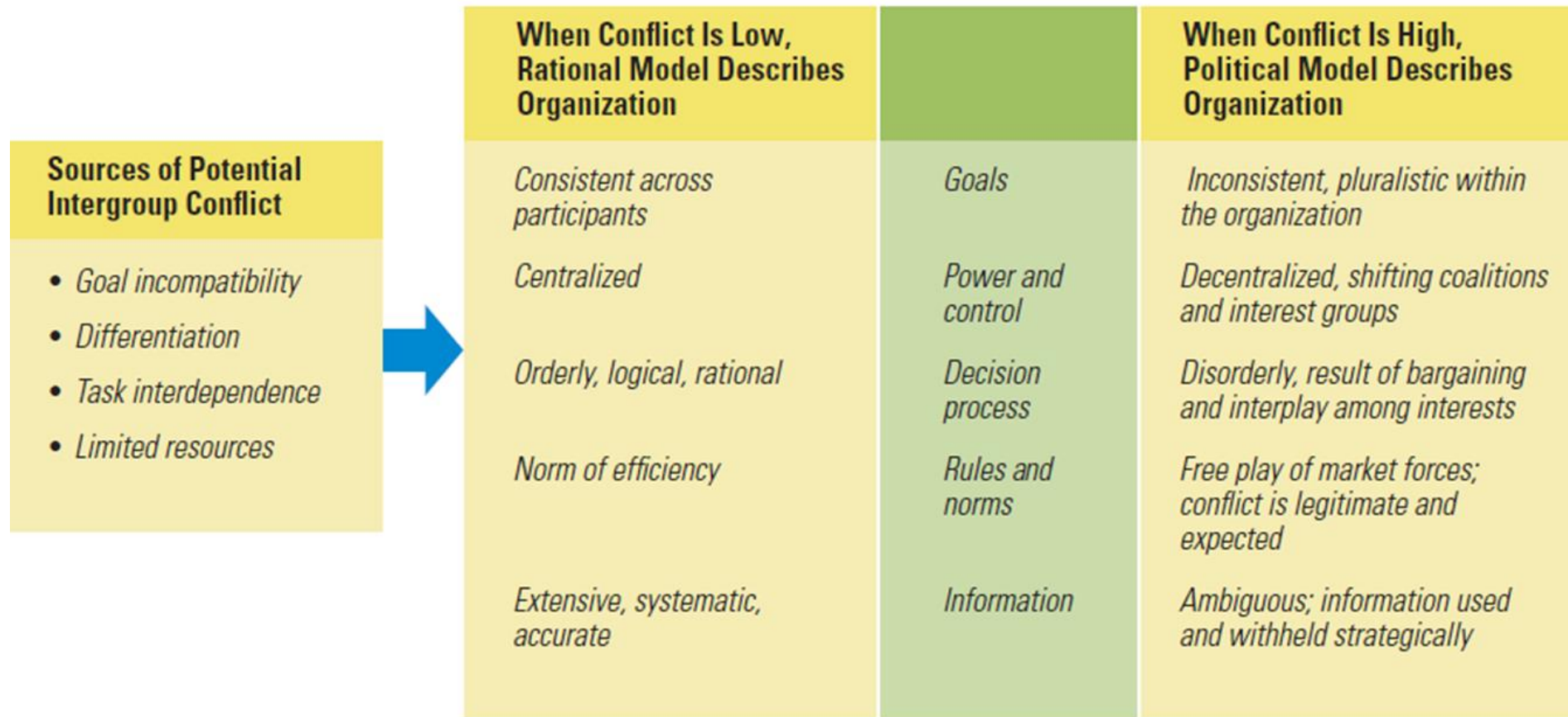
# Marketing-Manufacturing Areas of Potential Goal Conflict

MARKETING Versus MANUFACTURING		
Goal Conflict	Operative Goal Is Customer Satisfaction	Operative Goal Is Production Efficiency
Conflict Area	Typical Comment	Typical Comment
1. Breadth of product line	"Our customers demand variety."	"The product line is too broad—all we get are short, uneconomical runs."
2. New product introduction	"New products are our lifeblood."	Unnecessary design changes are prohibitively expensive."
3. Product scheduling	"We need faster response. Our customer lead times are too long."	"We need realistic commitments that don't change like wind direction."
4. Physical distribution	"Why don't we ever have the right merchandise in inventory?"	We can't afford to keep huge inventories."
5. Quality	"Why can't we have reasonable quality at lower cost?"	"Why must we always offer options that are too expensive and offer little customer utility?"

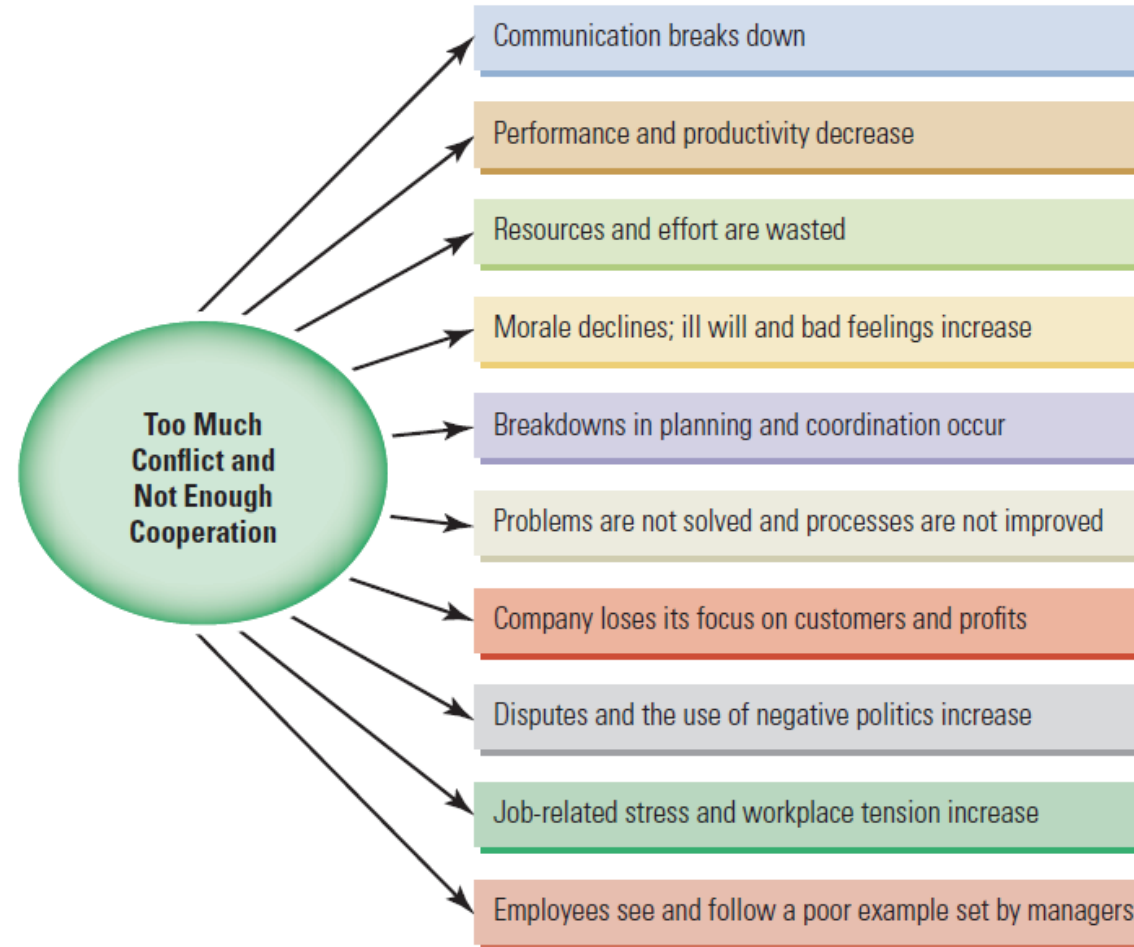
## Rational Versus Political Model

- The **rational model** is an ideal that is not fully achievable in the real world, though managers strive to use rational processes whenever possible
- Goals are clear, and choices are made logically
- The **political model** involves the push and pull of debate to decide goals and reach decisions
- This is how organizations operate much of the time because purely rational procedures do not work for many circumstances

# Sources of Conflict and Use of Rational versus Political Model



# Top 10 Problems from Too Much Conflict



## Tactics for Enhancing Collaboration

- **Tactics for enhancing collaboration** include:
  1. Create integration devices, such as **labor-management teams**
  2. Use **confrontation** and **negotiation**
  3. Schedule intergroup consultation, such as workplace mediation
  4. Practice member rotation
  5. Create shared mission and superordinate goals

# Negotiation Strategies

## Win-Lose Strategy

1. Define the problem as a win-lose situation.
2. Pursue own group's outcomes.
3. Force the other group into submission.
4. Be deceitful, inaccurate, and misleading in communicating the group's needs, goals, and proposals.
5. Use threats (to force submission).
6. Communicate strong commitment (rigidity) regarding one's position.

## Win-Win Strategy

1. Define the conflict as a mutual problem.
2. Pursue joint outcomes.
3. Find creative agreements that satisfy both groups.
4. Be open, honest, and accurate in communicating the group's needs, goals, and proposals.
5. Avoid threats (to reduce the other's defensiveness).
6. Communicate flexibility of position.

## The Power of Empowerment

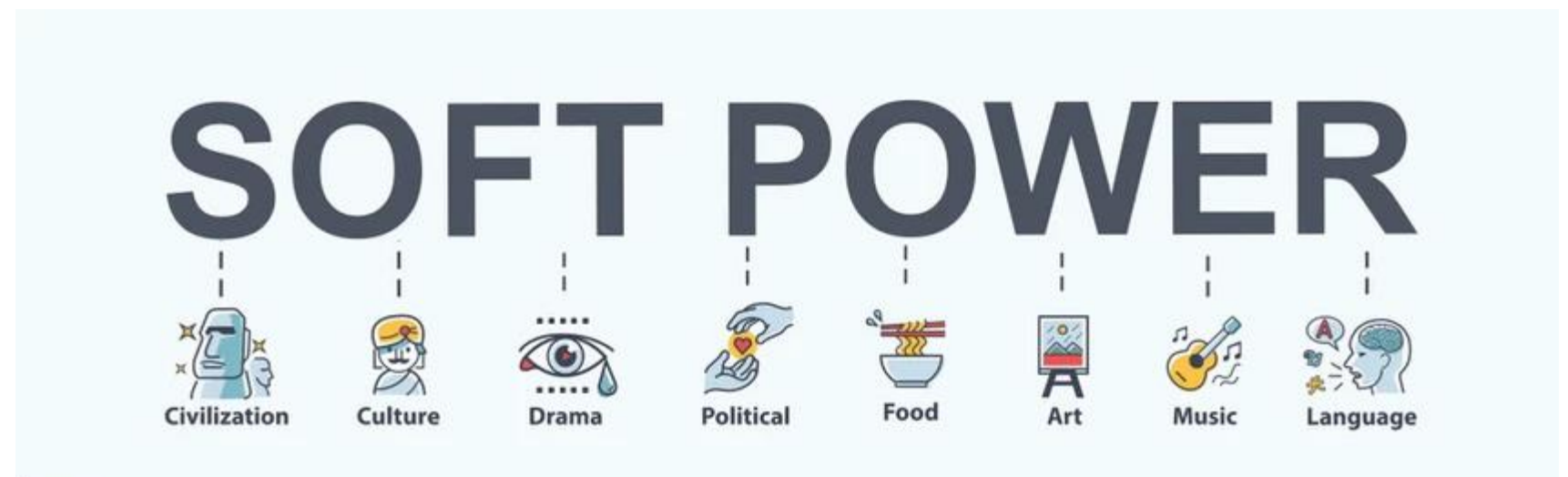
- **Empowerment** is power sharing, the delegation of power or authority to subordinates
- Empowering employees enables them to act more freely to accomplish their jobs:
  - Employees receive information about company performance
  - Employees have knowledge and skills to contribute to company goals
  - Employees have the power to make substantive decisions



# Using Soft Power and Politics

Managers can rely on “hard power” which stems from a person’s position of authority

Effective managers often use “soft power” which is based on personal characteristics and building relationships



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# Organizational Design Essentials

- Managers use power and politics to manage and resolve conflict.
- Although conflict and political behavior can be used for beneficial purposes, managers should enhance collaboration so that conflict between groups does not become too strong.
- Individuals in organizations may use sources of hard or soft power, but power in organizations is also the result of structural characteristics.
- Sources of power can be vertical or horizontal.
- Politics is often needed to achieve the legitimate goals of a department or organization.
- Managers need political skills to exercise soft as well as hard power.
- Tactics for increasing power include entering areas of high uncertainty, creating dependencies, providing scarce resources, and satisfying strategic contingencies.

## Main Take-aways

- Power can be found across the different parts, elements or layers of subsystems within organisations as social systems.
- The exercise of power may have benefits as well as harmful effects on organisational systems.
- The harmful effects of power are often due to engagement of power holders in political behaviours to achieve their desired ends.



## What have we achieved in this session?

Power, politics and conflict in the context of Organisations as social systems



- ☐ Bases of power
- ☐ Uses of power
- ☐ Political behaviour in organisations
- ☐ Ways and means to manage political behaviour in organisations
- ☐ Organisational conflict
- ☐ Soft Power



## Summary: Power, Politics & Conflict in Organization



**Any  
questions?**





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