The Political Lens

Overview

The political lens brings into sharp focus some aspects of the organization that are distinctly different from those we see using the strategic design lens. Where the strategic design lens sees the organization as a social system, deliberately constructed to achieve overarching strategic goals, the political lens sees it as an arena for competition and conflict among individuals, groups, and other organizations whose interests and goals differ and even clash dramatically. In the strategic design perspective, the roots of any conflict lie in different analyses of problems and opportunities; more data and better analysis can resolve any disagreements through a shared rationality. In the political perspective, the roots of conflict lie in different and competing interests, and disagreements require political action, including negotiation, coalition building, and the exercise of power and influence, all of which recognize that rationality is local. The strategic design perspective asks, "What is the problem? What solution is best suited to the strategic environment and the capabilities of the organization?" The political perspective asks, "Who's defining the problem, and what gives them the power to define it? Who's advocating what solution, and why? How can I get an outcome that serves the interests of my group and me?"

The political aspects of an organization are simultaneously the focus of much of the attention (and even more of the gossip) of those working in and leading the organization, and the least accepted. When people say, "That was a political decision," they are usually implying that it was a bad decision made on the wrong criteria. If decisions are to be effective, however, they must be political—good decisions as well as bad. They must have the buy-in of those who have the power to implement or to block action. Power and interests, coalition building and negotiation, conflict and conflict resolution are essential aspects of organizational life. If the formal design of the organization is the equivalent of the skeleton of the organization, the political system is the musculature. It is essential to action.

This part of the module provides an overview of the basic concepts of the political lens as well as some tools for using these concepts effectively. It also contains an elective reading on informal networks that looks at organization through the political lens. In their article, originally published in the *Harvard Business Review*, Krackhardt and Hanson show the importance of the multiple informal networks that link individuals and subunits in organizations and constitute a key element of the political system of any organization. They provide some useful concepts for understanding them better than most managers apparently do.

Assignment Summary

1. Think about the organizations in which you have worked. Who were the most powerful individuals and groups, and why? Come to class prepared to discuss this issue.
2. Think about your own class. Who are the individuals or groups that have the strongest influence, and why? What are the key indicators of influence?

Suggested Further Readings

Burt, Ronald S. 1992. "The Social Structure of Competition." In Nitin Nohria and Robert G. Eccles (Eds.), *Networks and Organizations: Structure, Form, and Action* (pp. 57–91). Boston: Harvard Business School Press. A succinct and clear explanation of social networks and their effect on intraorganizational competition, by one of the most influential network theorists.

Kanter, Rosabeth. 1977. *Men and Women of the Corporation.* New York: Basic Books. A classic study of power dynamics in U.S. corporations, whose insights are still widely cited and applied today.

Kets de Vries, Manfred F. R. 1993. *Leaders, Fools, and Imposters: Essays on the Psychology of Leadership.* San Francisco: Jossey-Bass. A psychological analysis by a leading European researcher of the dynamics of the use and abuse of power by top executives.

Meyerson, Deborah E. 2001. *Tempered Radicals: How People Use Difference to Inspire Change at Work.* Boston: Harvard Business School Press. A study of political activism in organizations, building on the tradition of social movement analysis.

Morrill, Calvin. 1995. *The Executive Way: Conflict Management in Corporations.* Chicago: University of Chicago Press. A fascinating study of conflict among high-level executives and how it is handled, based on intensive observation of 13 U.S. companies.

Pfeffer, Jeffrey. 1992. *Managing with Power: Politics and Influence in Organizations.* Boston: Harvard Business School Press. A thorough and extremely readable analysis of power and its sources and use in organizations.

Porter, Lyman W., Harold L. Angle, and Robert E. Allen (Eds.). 2003. *Organizational Influence Processes*, 2nd ed. Armonk, NY: M.E. Sharpe. A useful compendium of writings on power and influence in organizations, organized by the direction of influence (downward, lateral, and upward).

Useem, Michael. 2001. *Leading Up: How to Lead Your Boss So You Both Win.* New York: Three Rivers Press. An interesting guide to exerting influence upward in the organization, built on detailed historical and contemporary case studies.

The Organization as a Political System

Organizations are strategic designs to accomplish shared goals, but they are not *only* strategic designs. Organizations are also political systems. When we think of political systems, we usually think first of political parties, elections, governments, and interest groups. The key elements of power and politics, however, are interests, conflict, competition, coalition building, and negotiation. These elements are not unique to political parties or to governments, but are essential to all organizations, even the smallest and most egalitarian.

For many people, including many successful and powerful executives, politics constitutes the dark side of the organization, an aspect created by the selfishness and dishonesty of others. "Playing politics" is something other people do. An inability or an unwillingness to deal with the political aspects of organizations, however, is a serious handicap for anyone trying to take effective action in an organizational setting. Jeffrey Pfeffer, who is one of the most widely recognized contributors to the analysis of power and politics in organizations, has observed:

> *I have seen, all too often, otherwise intelligent and successful managers have problems because they did not recognize the political nature of the situation, or because they were blindsided by someone whose position and strength they had not anticipated. (Pfeffer, 30).*

Pfeffer's reference to "position and strength" is another way of saying "interests and power." They are the core concepts of a political perspective on organizations. *Interests* refer to what people want—what's at stake for them in a decision or course of action. Depending on how an action affects their interests, people will support or oppose it. Managers often run into trouble because they fail to recognize what's at stake for other units or for other individuals in their proposed course of action. The effectiveness of the support or opposition of others depends on the amount and nature of the *power* held by those units or individuals. Understanding how to leverage interests and power is an essential base for taking effective action in organizations.

Interests

In the political perspective, organizational behavior is grounded in interests. The political lens shares with economics the fundamental assumption that people act rationally to serve their own interests. Where the two approaches differ is in their analysis of "interests." The classic economic model of *homo economicus* ("economic man") is an individual acting in his own personal interests, which, however numerous and varied they may be, are reducible to a common economic currency that allows that individual to compare the relative value or "utility" of meeting each interest. The political lens acknowledges the importance of individual interests, but it broadens their scope beyond what can be calculated in terms of some dollar or net present value amount to include a variety of interests (such as autonomy and status) that are difficult to reduce to economic terms. It also devotes equal or even greater attention to collective interests.

Collective interests are those shared by others who belong to the same group or category, and center on the welfare and maintenance of the group. The most obvious collective interests are those defined by the organization design. Seen through the political lens, the boundaries between the "boxes" or units in the formal design define not only responsibilities and roles but also the borders of interest groups that compete with each other for resources and for the attention and approval of top management. Ed Schein, in a recent analysis of Digital Equipment Corporation, provides an example of the power of collective interests:

> *When DEC was small these political battles [over setting priorities] were among individuals fighting for their individual points of view in a climate of rational debate and problem solving reminiscent of academia. With growth and success, those same managers now "owned" organizational units with many employees for whom they felt increasingly responsible. To give in to an argument now meant letting your organization down. (Schein, 157)*

This example also illustrates how strongly individual interests come to be identified with collective interests.

Groups defined by the formal structure are, however, only one of an array of possible collective interest groups within an organization. Demographic groups—those defined by population variables such as age, gender, ethnicity, or marital status—also share collective interests that can affect certain kinds of organizational action. For example, many U.S. companies today face challenges from older employees who are fighting their companies' efforts to improve the bottom line by switching from traditional "defined benefits" plans (where the employee gets a set amount per month after retirement, based on salary) to "defined contributions" plans. These plans center on individual retirement accounts, to which both the employee and company contribute, and which younger workers value because they are portable across employers. Older workers, however, found that in switching to the new plans in the middle of their careers they would receive much lower postretirement incomes and benefits than they had been expecting.

Other potential bases for collective interests include the following:

- Position in the division of labor (such as full-time or part-time employees, salaried or hourly workers, blue-collar or white-collar or managerial employees)
- Location (country in the case of multinational corporations, or site in the case of domestic companies)
- Profession/occupational category (engineers, accountants, MBAs, skilled workers, etc.)

An increasingly common approach to understanding collective interests is the *stakeholder* perspective. The term stakeholders identifies groups that have a shared "stake" (i.e., a set of collective interests) that is affected by what the organization is and how it carries out its activities. Each stakeholder group not only has common interests but shares an awareness of those interests and a willingness to act to further them. The stakeholder perspective identifies both internal stakeholders (those within the organization) and external stakeholders (including suppliers, customers, communities, and shareholders).

Internal stakeholders vary considerably both in the extent to which they themselves are organized and in the kind of ties they construct with external stakeholder groups. In many manufacturing companies, for example, blue-collar workers belong to unions. In Britain, unions are organized by craft, so that one company will contain members of a number of different unions. In the United States, the dominant form of union is the industrial union, which incorporates employees in the industry regardless of their specific craft (e.g., the United Automobile Workers). In Japan, most unions are company unions (Toyota and Honda each have their own union, instead of a single industrial union or multiple craft unions that cut across company boundaries). These different patterns of organization strongly affect the interests of different categories of workers and the alignment—or lack of it—between the interests of management and union. Other examples of organized stakeholder groups include the well-known Black Caucus in Xerox, which emerged to provide advice and mentoring for African-American employees (mostly in the managerial ranks), and technical "communities of practice" (which have as a primary purpose the sharing of knowledge and "best practice" but which also give a voice to the needs and interests of their members).

Simply recognizing that interests are important is the first step in developing an ability to use the political lens to take more effective action in organizations. The next step is much harder: analyzing what those interests are and what priority they have for key individual and collective actors. Interests are both complex and dynamic. People have multiple interests at the individual level. They have, for example, both short-term goals and long-term ambitions. They want both autonomy and cooperative relations with others. They want to develop a reputation for dedication to their work, and to meet personal quality of life aspirations. They are also members of multiple stakeholder groups that have different and sometimes competing interests. One person can simultaneously be a member of a particular division of the company, a particular occupational group, a particular demographic group (such as single parents), a particular site or facility that is competing with other sites in the company for new activities, and the community in which that site is located.

To complicate the analysis further, collectivities also have multiple interests. To give just one example, a business division in a diversified corporation may be struggling to try simultaneously to reduce costs and speed up its response to a changing marketplace. Sharing support services with other divisions may be a way to reduce costs. On the other hand, the difficulties of moving to a new shared services structure and the potential loss of control over access to those services may undermine the division's ability to respond rapidly to current market changes. It will also reduce the control of the division's executives over the service activities. Rarely is a clear, data-grounded base evident for making a choice, especially when it is much easier to assign a dollar value to cost savings than to loss of control—even though both may have an equal effect on competitive position in the marketplace. The decision process in such a case is heavily "political"; that is, it depends on how the key decision makers see and assign weight to their interests.

Furthermore, interests at both the individual and collective levels are *dynamic*: that is, they change in content and in relative importance over time and as context changes. For example, as a younger single employee I may not feel my interests are strongly affected by a company's efforts to change its benefits plans, including medical coverage. However, if I develop a chronic health problem, the company's benefits plan may suddenly assume much greater salience among my various interests. This example illustrates another factor in the complexity and dynamic nature of interests. Interests may be latent; I may not realize I have a certain stakeholder interest until it is evoked by circumstances or by someone trying to mobilize my support for a certain course of action.

Individuals and groups will support, be indifferent to, or try to block organizational actions based on how those actions affect their interests. To carry an action forward, its initiator needs to understand what interests will be affected by it. In deciding how to proceed, however, one further element of a political analysis is needed: how much power those individuals and groups have to affect the course of the action.

Power

Power has always been a difficult concept to define in the context of organizations, although most people, if asked to identify the most powerful units or individuals in their organization, have no difficulty answering. Pfeffer's definition of organizational power will serve as a useful base for our discussion: "the potential ability to influence behavior, to change the course of events, to overcome resistance, and to get people to do things that they would not otherwise do" (Pfeffer, 1992, 30). A recent issue of *Fortune* magazine that focused on power used an abbreviated version of this same definition: "Our definition of power was straightforward: the ability to affect the behavior of other people" (*Fortune*, August 11, 2003, 58). From this perspective, getting things done in organizations requires power. Its use is inevitable, and the more you have, the more you can accomplish.

Many people in today's organizations are uncomfortable talking about power, particularly their own. They often prefer to talk about influence, especially when their own power is at issue, or about authority when their boss's power is the topic, and about power only when they are talking about coercion or domination. These three variants of power—influence, authority, and coercion—are well recognized in research on power and organizations. Authority is a classic concept in the study of organizational power, and refers to power that is defined as legitimate by those who are subject to it. Authority in organizations is most commonly associated with formal positions in the organizational hierarchy: the head of a division has authority over those who work in that division. One of the common political strategies for dealing with conflict in organizations is to "push it up"—that is, to ask someone higher in the organization with formal authority over the contending parties to resolve the issue. Influence connotes informality and is often used in interactions where someone does not have formal authority but develops the ability to induce or persuade others to act in ways they would not act in the absence of that influence. Coercion (often called "domination") has been defined as "the control of the behavior of one individual by another who can offer or restrict benefit or inflict punishment" (Powell and Smith-Doerr, 1993, 376). Coercion is rarely seen as legitimate, and although it can indeed force people to behave in ways that they otherwise would not, it breeds resentment and a desire to get even.

Power is fundamentally based in control over or access to valued resources, and has a number of sources, including personal characteristics, expertise, track record, formal hierarchical position, and informal network position. The following discussion explains each in greater detail.

Personal Characteristics

Research on personal characteristics and the effective use of power has often been linked to the concept of "charisma." Max Weber, one of the pioneers of sociology and of the study of power, drew the concept from the field of religion. Charisma means "the gift of grace," and Weber used it for the kind of power that derives from a deep emotional connection between leader and followers based on the distinctive personal qualities of the charismatic leader and on the distress or tension experienced by the followers, which the leader promises to alleviate (Gerth and Mills, 1958, 52). Although this concept has become increasingly generalized, Weber saw the personalized and emotional nature of charisma, which transcends rules and routines, as potentially disruptive in established organizational settings. Moreover, charisma is, for Weber, inherently unstable, both because it requires constant proof of the unique gifts and vision of the leader and because it is difficult to transfer from one context to another or from one leader to another (Weber, 1958, 52–53).[1] In contemporary business, a visionary founder of an entrepreneurial firm would potentially embody both the strengths and weaknesses of Weberian charismatic authority.

Personal characteristics do, however, play a role as a source of power in established formal organizations. Jeffrey Pfeffer, for example, provided a list of personal characteristics used for effective political action in organizations:

- Energy and physical stamina
- Focus (the ability to set priorities and concentrate on the most important things)
- Sensitivity to others and an ability to understand how they see their interests
- Flexibility (based on concentrating on ultimate objectives and adjusting to what is possible in a particular context)
- Ability to tolerate conflict
- Submerging one's ego and getting along

Pfeffer is the first to admit that the role of each trait in building power has not been systematically tested; the list is based on his extensive work on power in organizations. The first two features, energy and focus, are common in portrayals in the business press of powerful executives, and their role is easy to understand. The third—sensitivity to the interests of others—does not, as Pfeffer quickly points out, mean acting in the interests of others. "Sensitivity simply means understanding who they are, their position on the issues, and how best to communicate with and influence them" (Pfeffer, 1992, 172). As Pfeffer points out, sensitivity to others' interests is not worth much if one is not prepared to adjust one's behavior to use that understanding ("flexibility"). Because conflict is unavoidable in organizations, a willingness to engage in conflict to further one's individual and collective interests is a source of power, particularly if others are conflict-avoidant. Finally, Pfeffer argues that because interdependence is an unavoidable feature of action in organizations, a willingness to put one's ego aside in order to listen and expand one's information and understanding, build alliances, share credit, and get buy-in from others is an essential personal quality in today's organizational settings.

Scarce and Valued Expertise

The mastery of a skill or body of knowledge that is both valued by the organization and relatively scarce can be a significant source of power. A particularly gifted innovator in an R&D organization, a software engineer with exceptional ability at diagnosing problems, a skilled mediator in an organization facing politically crippling labor problems—these individuals can become significantly more powerful than their less-skilled counterparts. They also become central in the task and advice networks that are part of organizational networks of power and influence.

At various organizational levels, groups or subunits with scarce and valuable expertise can gain significant power in the organization. Michel Crozier's classic study of power in organizations included a much-cited case study of a manufacturing firm where one of the most powerful groups was the maintenance engineering department. The factory was highly capital-intensive, which meant that if the complex machinery broke down, the performance of the factory suffered until it came back on-line. The maintenance engineers had a monopoly of the expertise required for diagnosing and fixing the machinery, and therefore the factory manager deferred to their demands and interests much more attentively than to those of any other unit or subgroup in the plant (Crozier, 1964). In U.S. corporations, the finance department steadily gained influence as the firm diversified, because financial analysis and access to financial markets came to be crucially important elements of the control systems and strategies of multibusiness firms (Fligstein, 1987).

Past Performance/Track Record

A third source of power for both individuals and subunits is past performance or "track record." Individuals who have a history of successful achievement in their assignments generally have greater power than those with less outstanding records. One reason is that they are often identified as "high fliers"—people who are likely to rise higher in the organization. Others are therefore usually more eager to cooperate with them, in expectation of future valuable relationships. People are also more likely to be eager to interact with them, and therefore they are often better able to expand their access to information, which is one of the most important organizational resources. In addition, they are usually able to elicit a higher level of effort and commitment from those who work for them. As Rosabeth Kanter pointed out:

> *When employees perceive their manager as influential upward and outward, their status is enhanced by association and they generally have*

1 Weber's key writings were produced in Germany during the first quarter of the 20th century, but were not well-known to English-speaking social scientists until after World War II, when translations made them widely available. They were extremely influential in the emerging field of organization theory.

high morale and feel less critical or resistant to their boss. (Kanter, 1979).

Similar patterns hold at the subunit level. A division or department that has a record of outstanding past performance (e.g., the most consistently profitable division, or the plant with the highest quality rating) usually has more power in the organization than similar units without such strong performance records. Successful divisions can often claim higher levels of resources, and they attract skilled and ambitious employees.

Sociologists dubbed the concept of success as a source of power that breeds further success as "the Matthew effect," based on the verse in the Gospel according to St. Matthew: "Unto every one that hath shall be given, and he shall have abundance: but from him that hath not shall be taken away even that which he hath." (Matt. 25:29).

Formal Position as a Source of Power

From the political perspective, the organization chart is more than a design that specifies reporting responsibilities; it is also a rudimentary political map of the organization—rudimentary because, although it provides a good guide to the vertical power system of the organization, it is not an accurate guide to the horizontal system. In other words, equivalence of position on the formal organization chart is not a good indicator of relative power. The executive vice presidents of a company may occupy equivalent positions on the organization chart, but they usually differ significantly in their power relative to each other, both because of the factors described in the preceding paragraphs and because of the network position factors described in the following section.

The organization chart does, however, provide a good guide to the vertical power system. Individuals who occupy positions at the top of subunits have formal power over employees below them in that unit, based on their control over several processes:

- Resource allocation (for example, whether someone gets a new computer or an enhanced travel budget)
- Information flows (subordinates have the formal obligation to share information with the person to whom they report)
- Evaluation of the employee's performance, which affects both current rewards and future job possibilities
- Task assignment (who gets the interesting and high-profile tasks, and who gets stuck with the unrewarding or unpleasant tasks)
- Conflict resolution (disputes between subordinates are usually decided by the formal superior, although most organizations have some avenues of appeal for certain kinds of conflicts, such as those that involve discrimination or unfair process)

One of the paradoxes of power based on position in the organizational hierarchy, however, is that excessive reliance on the control processes just listed can undermine that power. The classic definition of authority is power that is accepted as legitimate by those who are subject to it and therefore is not resisted. When a boss encounters resistance from subordinates, heavy reliance on sanctions can transform authority into coercion. Coercion is rarely accepted as legitimate, either by those subject to it or by those who are merely observing it. When people talk in negative terms about power in their organizations, they are often thinking about the coercive use of formally conferred power to control behavior (e.g., the boss who tells a subordinate, "Unless you stop objecting and work on this project, I'll see to it that you never get another promotion in this company"). Coercion often backfires, because it breeds resentment and a desire to get even somehow; the compliance that results is seldom wholehearted, and often conceals covert resistance and even sabotage.

Informal Network Position as a Source of Power

Both company gossip and social research have long recognized that "know-who" is as important as "know-how" in any organization. In today's flat, interdependent organizations, the kind of influence that comes from social networks is often much more significant than the authority that derives from formal hierarchical position.

In the popular view, the size of your network—the number of names in your PDA—and the number of powerful people in it are key factors to power. One of the oldest strategies for gaining power is to do favors for others, thereby building up an extensive network of obligations that can be redeemed later to serve your own interests or the interests of another person in order to expand your obligation network. This "Godfather" strategy rests on the premise that doing something for others, as a giver rather than a taker, builds a sense of obligation, even if at the time no expectation of an immediate return is expressed. The tacit expectation, however, is that someday, in some way, the favor will be reciprocated.

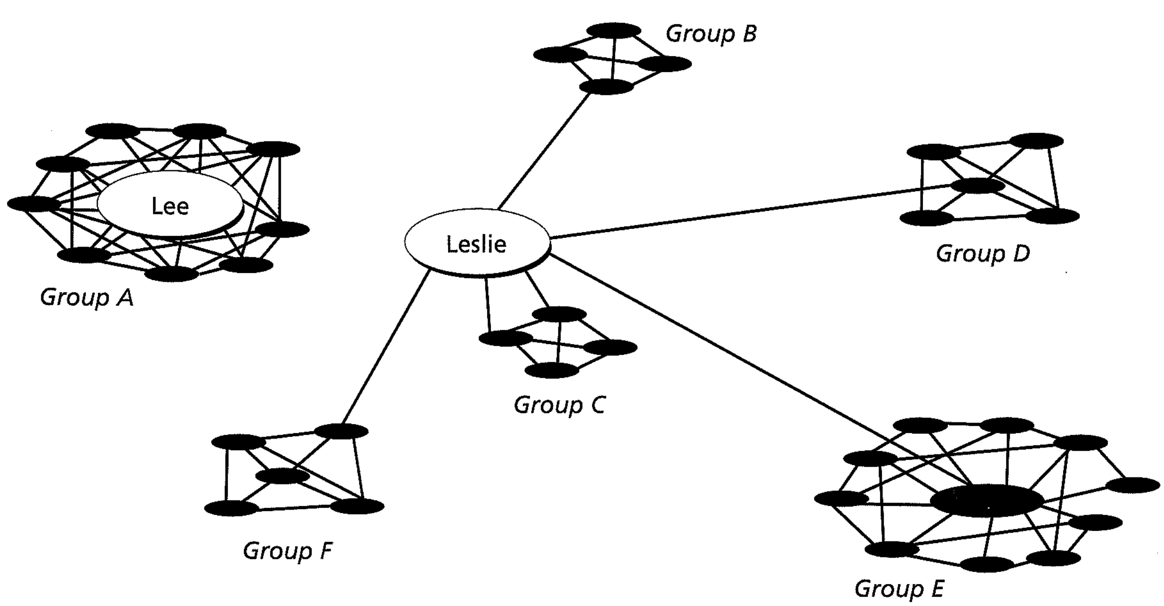
The growing body of research on social networks in organizations demonstrates, however, that although the *size* of your network is indeed important, your *position* in the network is even more important. The key concept that researchers use to identify powerful individual positions in a social network is *centrality.* Centrality, as used in network analysis, is a multidimensional concept, quantified using a number of measures. These measures include how many people you communicate with directly and indirectly, closeness (how many contact steps away you are from powerful individuals),[2] and "between-ness" (the number of pairs or clusters for whom you are the link).

A related measurable feature of a personal social network is *efficiency*. Two people can have similar numbers of contacts and differ greatly in their influence, because one has a highly redundant network, in which the people he or she knows also know each other, and the other has an efficient network, which includes one person from each of a large number of network clusters (see Figure 2.8).

The two actors in Figure 2.8, Lee and Leslie, have an identical number of contacts in their network. Lee, however, has a dense network in which everyone to whom Lee is connected is connected with the others in Lee's network. In such a network, information travels extremely quickly, and Lee has the same information as everyone else. Leslie, however, has contacts with a number of separate groups, and the links are efficient because they are not redundant. Leslie can obtain information quickly from Groups B, C, D, and F, and the information from those groups is likely different. Leslie therefore has information from each group that can be used to exchange for information from the other groups. These exchanges keep the information flowing to Leslie and can enhance Leslie's centrality in the overall network.

Network position is a source of influence in organization for two principal reasons. The first is the information advantage it can confer. Leslie gets a variety of information that can be integrated to identify opportunities and potential problems that are not evident to people who have less centrality and less efficient networks. Leslie also gets information earlier (the Leslies of the organization are usually the first to know what's going on). In addition, Leslie's information resources confer advantages in "referrals"; Leslie can provide opportunities for others in the organization (e.g., Leslie will know which project or task force needs another member, and which person from Group C would fit that assignment). The second reason that network position is a source of influence is its potential for building coalitions. Lee may be able

Figure 2.8 Redundant vs. Efficient Networks



2 *Closeness* or *degree* is a term made famous in "six degrees of separation"—the idea that everyone is connected to everyone else through six contact steps. See Duncan Watts (2003) for one of the best recent treatments of social networks.

to mobilize Group A to support a certain set of interests, but Leslie is in a much better position to mobilize broad support, from more groups (Groups B, C, D, and F). However, Lee may be better able to keep Group A committed once it is mobilized.

Much of the recent research on social networks in organizations has focused on *structural holes.* Holes in an organizational network occur where no direct link exists between individuals or subunits that could benefit from being linked (i.e., they have real or potential interdependencies). Finding a structural hole and acting as the informal bridge or broker connecting the individuals or units is potentially a significant source of power.[3] As Ron Burt, the architect of "structural hole theory," pointed out, someone who bridges subunits that aren't linked either in the formal hierarchy or through other social networks has several sources of power:

> *The information benefits make Robert [Robert being someone acting as a bridge across structural holes] more likely to know when it would be valuable to bring together certain disconnected contacts, and this knowledge gives him disproportionate say in whose interests are served when the contacts do come together. In addition, the holes between his contacts enable him to broker communication while displaying different beliefs and identities to each contact. (Burt, 2002, 157)*

Individuals who bridge structural holes have the opportunity to become entrepreneurs within an organization, developing new opportunities and adding value for the organization, as well as increasing their own power and rewards.

Given the complexity of social networks, we should not be surprised by the finding in a number of network studies that most managers do not have an accurate picture of the social networks of those who work for and with them. One reason is that, of the many different kinds of networks, each has its own structure and dynamics, including the following:

- Task-related networks (with whom people communicate to solve work-related problems)
- Friendship networks
- Advice networks (including mentoring relationships)

Networks are also dynamic: task-related networks change as people take on different tasks, advice networks change as career paths evolve, and even friendship networks change over time as people enter and exit groups and organizations. Just because you understand the network at one point in time does not mean you have a solid grasp of what it looks like a year later.

As more and more activities in today's organizations assign responsibilities without formal authority, however, the importance of informal network position as a source of influence has increased, and social network analysis has attracted growing attention from researchers and managers. Companies are even buying social network analysis packages from consulting firms in order to analyze their organization's networks. The amount of data required for a thorough analysis of the social networks that produce influence is large, however, even if people trust the motives of the analysis enough to answer the lengthy surveys candidly and completely. Statistical formal network analysis can be a useful tool for solving particular problems, but given the short life of the accuracy of a network map, its greatest value may lie in sensitizing managers to the complexity and importance of informal networks in their organization's capacity for getting things done.

This sensitivity to the importance of social networks and a rudimentary understanding of who the key players are in a given network can be an important resource for anyone trying to get something done in an organization.

Summary

Power in organizations derives from a number of sources (see Figure 2.9). Obviously, the more sources of power an individual has, the more power they potentially command, although the accumulation of power across sources is never simple and linear.

As Pfeffer pointed out, "An important source of power is the match between style, skills, and capacities and what is required by the context and the formal position" (Pfeffer, 1992, 77). It is true not only of the fit between personal sources of power and context, but of each potential source of power. Some sources are more important in a particular organization or context than others. In a flat, flexible, networked "new" organization, for example, influence based on informal networking is often the most important source of power, especially if it is reinforced with control of scarce resources and expertise. In a strongly hierarchical "traditional" organization, on the other hand, people in formal positions of authority are the ones best able to

3 "Structural hole theory defines organizational power in terms of the information and control advantages of being the broker in relationships between actors otherwise disconnected in social networks," (Occasio, 2002, 371).

Figure 2.9 Sources of Power

Personal Characteristics

- Energy and physical stamina
- Focus
- Sensitivity to interests of others
- Flexibility
- Ability to tolerate conflict
- Ability to submerge one's ego in order to get something accomplished

Scarce and Value Expertise

Track Record

Formal Position in Organizational Hierarchy

Informal Network Position

Source: Jeffrey Pfeffer, *Managing with Power: Politics and Influence in Organizations* (Boston: Harvard Business School Press, 1992), 165–185.

enhance their influence through expanding their informal networks. Someone without formal authority who tries to enhance his or her influence through informal networking is apt to be punished for trying to circumvent established channels.

How can you identify who has power in an organization? Pfeffer (1992, 67–68) identified four ways to assess power:

- *Reputation:* Ask different people in the organization who has power in the organization.
- *Representational indicators:* Identify which units or groups are relatively overrepresented in important organizational roles (such as influential committees, promotions to top executive positions, etc.).
- *Observation of consequences:* Observe which units, groups, or individuals benefit most from decision making and resource allocation (on such measures as salaries, for example, or budget increases). Just as important, ask which units, groups, or individuals can keep certain issues or problems from getting attention.
- *Symbols of power:* See which units, groups, or individuals enjoy the symbolic accoutrements of power (such as spacious, attractive offices close to the center of power; outward deference from those they come in contact with; special "perks" such as memberships in the same golf club as the company CEO).

Although the specifics of any one of these categories may differ widely across organization (the symbols of power, for example, are very different in a global financial institution and a neighborhood not-for-profit organization), the categories themselves are useful and revealing. The challenge for anyone trying to take more effective action in any given organization is to match a political strategy based on an understanding of power to the organizational context and to the interests and goals that guide individual and organizational behavior. Let us look at some specific examples.

Using the Political Lens to Take More Effective Action in Organizations

1. Mapping Interests and Power

The first step in using the political lens is understanding clearly who is affected by what you want to do, what their interests are, and how much power they have to facilitate or to block what you propose to do. Jeffrey Pfeffer set out four basic questions that you need to ask:

- *Supporters:* Whose cooperation do you need to carry out your proposed action? Whose support will be necessary to get the appropriate decisions made and implemented?
- *Blockers:* Whose opposition could delay or derail what you are trying to do?
- *Potential stakeholders:* Who will be affected by what you are trying to do (e.g., in terms of how they do their work, how they are rewarded, and their power or status)?
- *Existing coalitions:* Who are the friends and allies of the people you have identified as potential supporters and blockers, and what potential interests are at stake for them?[4]

Two of the tools available to help you focus your answers are the commitment chart (Beckhart and Harris, 1987, 93–95) and the stakeholder map.

The commitment chart (see Figure 2.10) addresses the first two questions in Pfeffer's list, about supporters and blockers. It is a complete listing of the key individuals ("players") who will be involved in approving and implementing the action you want to take. It maps their current position with regard to your proposed action on a continuum from opposition ("keep it from happening") through neutrality ("let it happen") to support on two levels: assistance ("help it happen") and championing ("make it happen" by putting the full weight of their power and resources behind it). The commitment chart also indicates whether you need to change their position if your efforts are to succeed.

The second mapping tool, *stakeholder mapping*, helps you to develop an effective strategy for moving them from their current position to where you want them to be (Figure 2.11).

Stakeholder mapping helps you to identify the interests of those who will be affected by your action and how salient those interests are for them (i.e., which interests have the greatest priority for them). It also pushes you to identify more than one interest for each major stakeholder. This approach is a useful corrective to a common tendency to oversimplify the motivations of others, and to attribute to them a single-mindedness that we know would be impossible for us. It also alerts us to latent interests, or interests that stakeholders might have but of which they are not yet explicitly aware. For example, if a new CEO arrives who proclaims a new customer-focused strategy, the product design groups might be slow to recognize that they now have an interest in obtaining—or being seen to obtain—expanded customer data.

Mapping stakeholder interests provides guidance on how to convince key stakeholders that your initiative serves their interests, and then how to tailor your initiative so that it incorporates or accommodates key stakeholder interests.

2. Getting "Buy-In"

The phrases getting buy-in and sharing ownership are common in organizations, though the people who use them rarely recognize that they are talking about political processes. Getting buy-in means getting people to commit themselves to

Figure 2.10 Commitment Chart

Key Players	Keep It from Happening	Let It Happen	Help It Happen	Make It Happen
Jones		●		◆
Messier	●		◆	
Tanaka	●	◆		
Lin		●	◆	
Schmidt		●◆		

● Current position (where key player is now)

◆ Desired future position (where you want the key player to be)

4 These four questions are adapted from Jeffrey Pfeffer, *Managing with Power: Politics and Influence in Organizations* (Boston: Harvard Business School Press, 1992), 67–68.

Figure 2.11 Stakeholder Mapping Tool

Stakeholder	Highest Priority Interest	2nd Priority Interest	3rd Priority Interest	Late Interests (If any)
A				
B				
C				
D				

supporting or participating in a course of action begun by someone else. The most obvious path to getting buy-in is to persuade others that supporting your initiative will serve their interests, but it is not the only way. Among the additional techniques for getting buy-in are two important strategies grounded on research in social psychology: escalation of commitment and perceptions of influence.

The concept of "escalation of commitment" comes out of research on decision-making processes. Experimental studies found that people were much more likely to persist in supporting or carrying out a course of action once they committed resources (including time and attention) to it. Once they made such a commitment, they were more likely to continue their support, and even to increase it, than they were to draw back and consider alternative courses of action. In the literature on decision making, the escalation of commitment is often treated as a distortion of rational decision making that should be avoided. Its pervasiveness, however, indicates that if you can get potential supporters or stakeholders to commit even a small amount of resources to your initiative, they will be more likely to persevere in supporting you. Moreover, if you can manage to continue their allocation of resources over time, and even to increase it slightly, they are even more likely to "buy in" and sustain their commitment. Finally, if they make this commitment publicly, so that others in the organization are aware of it, they will be less likely to backslide or withdraw their support.

The second technique, perception of influence, centers on giving key stakeholders a chance to provide feedback and input on the development of an initiative. A recent study by Pfeffer and Cioldini (1998) demonstrated what they called "the illusion of influence" in a carefully constructed experiment that involved the creation of an advertisement. The subjects were divided into three groups, and given a first draft of the ad, on which they were asked to provide feedback, and then a second draft, which they were asked to evaluate. The first group was told that the team preparing the ad would not have access to the feedback on the first draft; the second group was told that they would see it but would not have time to incorporate the suggestions for improvement, and the third group was told that the second draft would reflect their suggestions. In fact, the second draft was prepared in advance and was identical for all three groups. As you might expect, the third group evaluated the ad more highly than the other two. The inescapable inference is that one way to increase the "buy-in" of stakeholders is to give them, in reality or in gesture, the feeling that they have an influence on the content or process of the course of action.

Neither of these techniques is without risk, of course. By asking for a commitment of resources, however small, you may cause a potential supporter to back off. By providing the opportunity to have some influence on a course of action, you run the risk of losing control of the initiative. Even more dangerous is the possibility that others suspect your openness to their ideas is simply a ploy to hook them into your agenda, rather than a sincere desire for their input. In such a case, their resistance to your initiative is likely to increase significantly. As with any action using the political lens, the effectiveness of your approach will depend on the accuracy and completeness of your understanding of the interests and power of those with whom you need to interact.

3. Finding Allies and Building a Coalition

Finding allies is a crucial element of a successful political strategy. A coalition is a set of allies who act together to support certain policies and activities. A coalition can be built to support a specific course of action, such as a proposal to allow business units to contract out certain support activities that are currently being performed by a corporate shared services group, or a proposal to set up a day-care center at a particular site. A more long-lasting coalition can form around common interests, such as an interest in cost reduction through outsourcing or an interest in advancing family-friendly policies. Finally, it is possible to construct general coalitions of allies who provide reciprocal support for each other's interests. One of the most common examples of a general coalition is the "dominant coalition" in an organization, which is composed of a set of upper-level executives. Each member can expect the support of the other members for his or her initiatives on the understanding that he or she will support those of the others. For example, a dominant coalition may support the family-friendly policies advocated by one of its members in exchange for a tacit agreement that this individual will not raise other contentious social responsibility issues.

The challenge in building a coalition around a specific issue is identifying potential allies whose interests will benefit from your proposed course of action, and then making them aware of your initiative and of how it will serve their interests. Both the commitment chart and stakeholder mapping can provide you with guidance in identifying potential allies and in finding out what interests are potentially compatible with your initiative. All too often, someone will initiate a course of action thinking that its virtues and advantages will be obvious to everyone, which is rarely the case in organizations. The advantages of a course of action need to be articulated, often in informal settings where frank discussions of interests and outcomes are possible. Finding allies in advance of formal decision points is an important success factor in a good political strategy.

Building longer-lasting interest-based or general coalitions requires a greater investment of attention and resources than the construction of issue-based coalitions. General coalitions are based on long-standing patterns of *reciprocity*, that is, of exchanges that over time maintain a roughly equal balance. The exchange of information and resources, mutual willingness to do favors for allies, and an agreement (tacit or explicit) not to take actions that seriously damage the interests of allies are key elements of successful coalitions.

4. Building a Network

Your informal networks are potentially your most important source of influence, both because of the resources you can mobilize by using them and because they can provide you with direct knowledge of the interests of individuals and groups elsewhere in the organization. You can greatly enhance your capacity to take action if you put time, effort, and thought into constructing and maintaining an effective network.

An effective network extends in three directions: upward, to those who are in higher positions of formal authority; horizontally, to those in adjacent units who are similar in formal position; and downward, to those who are working for you or who are engaged in tasks that have important consequences for your own work. The strategic design of the organization provides you with a set of networks in each position you occupy, through its grouping and linking systems: you have a boss to whom you report, and subordinates who report to you, and you participate in task forces and projects. You can decide, however, whether to reach beyond the links handed to you by the organization design, and whether to maintain those networks when you move to a new position. We all know people who stay in touch with key individuals they encountered on task forces, projects, and committee assignments, and who maintain a connection with their former bosses and co-workers when they move on to new positions. We also know people who take the time to seek out and build networks with people to whom they have no formal ties (e.g., their boss's administrative assistant). Some people spend time and effort identifying and bridging structural holes. The key challenge is *how* to go about effectively expanding and improving your network once you identify the opportunities.

Much of the advice on constructing effective networks adopts a set of economic metaphors: you invest in your networks through processes of exchange in multiple currencies that are traded in an organization. The exchange perspective on power and social networks has a long history (e.g., Blau, 1964), and has traditionally emphasized the importance of *reciprocity* and *trust*. Reciprocity means the shared expectation that if you do something for me, I have an obligation to return that service by doing something of importance for you. In some cases this reciprocity is direct: you do something for me, and I do something equivalent for you. In some contexts, however, the reciprocity is indirect, as in mentoring relationships: I play the role of mentor to you, and you in turn honor my efforts by being a mentor in your turn to someone more junior. As you and I establish a reputation for honoring social obligations, others will trust both of us to do the same with them.

The economic metaphor puts exchange into the context of multiple "currencies" that people value, including:

- Reward-related (including salary, bonus, promotion, assignment to interesting projects)
- Task-related (assistance, information, cooperation, and resources relevant to assigned tasks)
- Relationship-related (acceptance, inclusion, support, understanding)

- Status-related (recognition of importance, deference, "perks" that confer prestige)

You can improve your networks by understanding which currencies have most value for which actors in the organization, and taking advantage of the fact that different currencies are valued differently by different individuals and by different groups and units in the organization. For example, status-related currencies may be highly important to one unit: Whose offices host the meeting? Who presents the agenda? Another unit may place a higher value on task-related currencies, and be willing to exchange status-related currency for access to task-related information. Understanding these differences enables you to build effective exchange relationships with both groups and between them.

5. Building Your Negotiation Skills

One of the most popular courses for business school students today is negotiation. Its popularity reflects the recognition that negotiation is a central element of managerial capability in an increasingly networked organizational world. The editors of a recent volume on influence processes go so far as to assert that "an organization is essentially a negotiated relationship among many participants" (Porter, Angle, and Allen, 2003, 416–417). Negotiation skills can be developed through courses and training, through watching and learning from skills role models, and through practice.

Conclusion

The ability to analyze an organization's political system and to take effective political action—get buy-in, find allies, build a network, negotiate—is essential to getting things done in organizations. The most effective political action, however, avoids the political label. People with the best political skills rarely get defined as political "operators." Instead, their colleagues praise them as having good people skills, an ability to work with the system, and a capacity to overcome obstacles and opposition. The fundamental insights for gaining such a reputation, however, are drawn from an understanding of the political perspective on organizations. It is the least widely respected and yet perhaps the most important of the three lenses on organization.

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Informal Network

The company behind the chart

by David Krackhardt and Jeffrey R. Hanson

Many executives invest considerable resources in restructuring their companies, drawing and redrawing organizational charts only to be disappointed by the results. That's because much of the real work of companies happens despite the formal organization. Often what needs attention is the *informal* organization, the networks of relationships that employees form across functions and divisions to accomplish tasks fast. These informal networks can cut through formal reporting procedures to jump start stalled initiatives and meet extraordinary deadlines. But informal networks can just as easily sabotage companies' best laid plans by blocking communication and fomenting opposition to change unless managers know how to identify and direct them. Learning how to map these social links can help managers harness the real power in their companies and revamp their formal organizations to let the informal ones thrive.

If the formal organization is the skeleton of a company, the informal is the central nervous system driving the collective thought processes, actions, and reactions of its business units. Designed to facilitate standard modes of production, the formal organization is set up to handle easily anticipated problems. But when unexpected problems arise, the informal organization kicks in. Its complex webs of social ties form every time colleagues communicate and solidify over time into surprisingly stable networks. Highly adaptive, informal networks move diagonally and elliptically, skipping entire functions to get work done.

Managers often pride themselves on understanding how these networks operate. They will readily tell you who confers on what technical matters and who discusses office politics over lunch. What's startling is how often they are wrong. Although they may be able to diagram accurately the social links of the five or six people closest to them, their assumptions about employees outside their immediate circle are usually off the mark. Even the most psychologically shrewd managers lack critical information about how employees spend their days and how they feel about their peers. Managers simply can't be everywhere at once, nor can they read people's minds. So they're left to draw conclusions based on superficial observations, without the tools to test their perceptions.

Armed with faulty information, managers often rely on traditional techniques to control these networks. Some managers hope that the authority inherent in their titles will override the power of informal links. Fearful of any groups they can't command, they create rigid rules that will hamper the work of the informal networks. Other managers try to recruit "moles" to provide intelligence. More enlightened managers run focus groups and host retreats to "get in touch" with their employees. But such approaches won't rein in these free-wheeling networks, nor will they give managers an accurate picture of what they look like.

Using network analysis, managers can translate a myriad of relationship ties into maps that show how the informal organization gets work done. Managers can get a good overall picture by diagramming three types of relationship networks:

- The advice network shows the prominent players in an organization on whom others depend to solve problems and provide technical information.
- The trust network tells which employees share political information and back one another in a crisis.
- The communication network reveals the employees who talk about work-related matters on a regular basis.

Maps of these relationships can help managers understand the networks that once eluded them and leverage these networks to solve organizational problems. Case studies using fictional

Source: Reprinted by permission of Harvard Business Review from "Informal Networks: The Company Behind the Chart," by David Krackhardt and Jeffrey R. Hanson, *Harvard Business Review*, July–August 1993. **David Krackhardt** is associate professor of organizations and public policy at the H. John Heinz III School of Public Policy and Management at Carnegie Mellon University. Jeffrey R. Hanson is president of J. R. Hanson & Company, a management consulting firm in Bronxville, New York.

The Press

names, based on companies with which we have worked, show how managers can bring out the strengths in their networks, restructure their formal organizations to complement the informal, and "rewire" faulty networks to work with company goals.

The Steps of Network Analysis

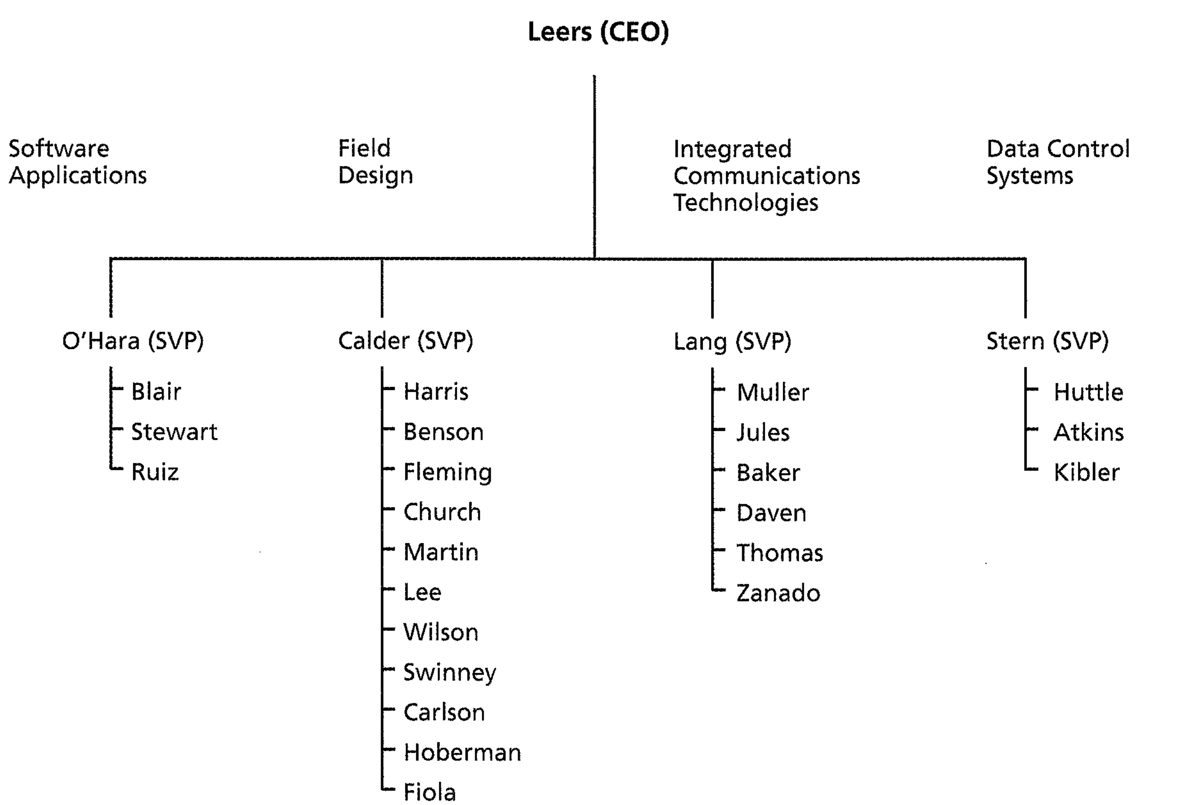
We learned the significance of the informal network 12 years ago while conducting research at a bank that had an 80% turnover rate among its tellers. Interviews revealed that the tellers' reasons for leaving had less to do with the bank's formal organization that with the tellers' relationships to key players in their trust networks. When these players left, the others followed in droves.

Much research had already established the influence of central figures in informal networks. Our subsequent studies of public and private companies showed that understanding these networks could increase the influence of managers outside the inner circle. If they learned who wielded power in networks and how various coalitions functioned, they could work with the informal organizations to solve problems and improve performance.

Mapping advice networks, our research showed, can uncover the source of political conflicts and failure to achieve strategic objectives. Because these networks show the most influential players in the day-to-day operations of a company, they are useful to examine when a company is considering routine charges. Trust networks often reveal the causes of nonroutine problems such as poor performance by temporary teams. Companies should examine trust networks when implementing a major change or experiencing a crisis. The communication network can help identify gaps in information flow, the inefficient use of resources, and the failure to generate new ideas. They should be examined when productivity is low.

Managers can analyze informal networks in three steps. Step one is conducting a network survey using employee questionnaires. The survey is designed to solicit responses about who talks to whom about work, who trusts whom, and who advises whom on technical matters. It is important to pretest the survey on a small group of employ-

The Formal Chart Shows Who's on Top



ees to see if any questions are ambiguous or meet with resistance. In some companies, for example, employees are comfortable answering questions about friendship; others they deem such questions too personal and intrusive. The following are among the questions often asked:

- Whom do you talk to every day?
- Whom do you go to for help or advice at least once a week?
- With one day of training whose job could you step into?
- Whom would you recruit to support a proposal of yours that could be unpopular?
- Whom would you trust to keep in confidence your concerns about a work-related issue?

Some companies also find it useful to conduct surveys to determine managers' *impressions* of informal networks so that these can be compared with the actual networks revealed by the employee questionnaires. In such surveys, questions are posed like this:

- Whom do you think Steve goes to for work-related issues?
- Whom would Susan trust to keep her confidence about work-related concerns?

The key to eliciting honest answers from employees is to earn their trust. They must be assured that managers will not use their answers against them or the employees mentioned in their responses and that their immediate colleagues will not have access to the information. In general, respondents are comfortable if upper-level managers not mentioned in the surveys see the results.

After questionnaires are completed, the second step is cross-checking the answers. Some employees, worried about offending their colleagues, say they talk to everyone in the department on a daily basis. If Judy Smith says she regularly talks to Bill Johnson about work, make sure that Johnson says he talks to Smith. Managers should discount any answers not confirmed by both parties. The final map should not be based on the impressions of one employee but on the consensus of the group.

The third step is processing the information using one of several commercially available computer programs that generate detailed network maps. (Drawing maps is a laborious process that tends to result in curved lines that are difficult to read.) Maps in hand, a skilled managers can devise a strategy that plays on the strengths of the informal organization, as David Leers, the founder and CEO of a California-based computer company, found out.

Whom Do You Trust?

David Leers thought he knew his employees well. In 15 years, the company had trained a cadre of loyal professionals who had built a strong regional reputation for delivering customized office information systems (see "The Formal Chart Shows Who's on Top"). The field design group, responsible for designing and installing the systems, generated the largest block of revenues. For years it has been the linchpin of the operation, led by the company's technical superstars, with whom Leers kept in close contact.

But Leers feared that the company was losing its competitive edge by shortchanging its other divisions, such as software applications and integrated communications technologies. When members of field design saw Leers start pumping more money into these divisions, they worried about losing their privileged positions. Key employees started voicing dissatisfaction about their compensation, and Leers knew he had the makings of a morale problem that could result in defections.

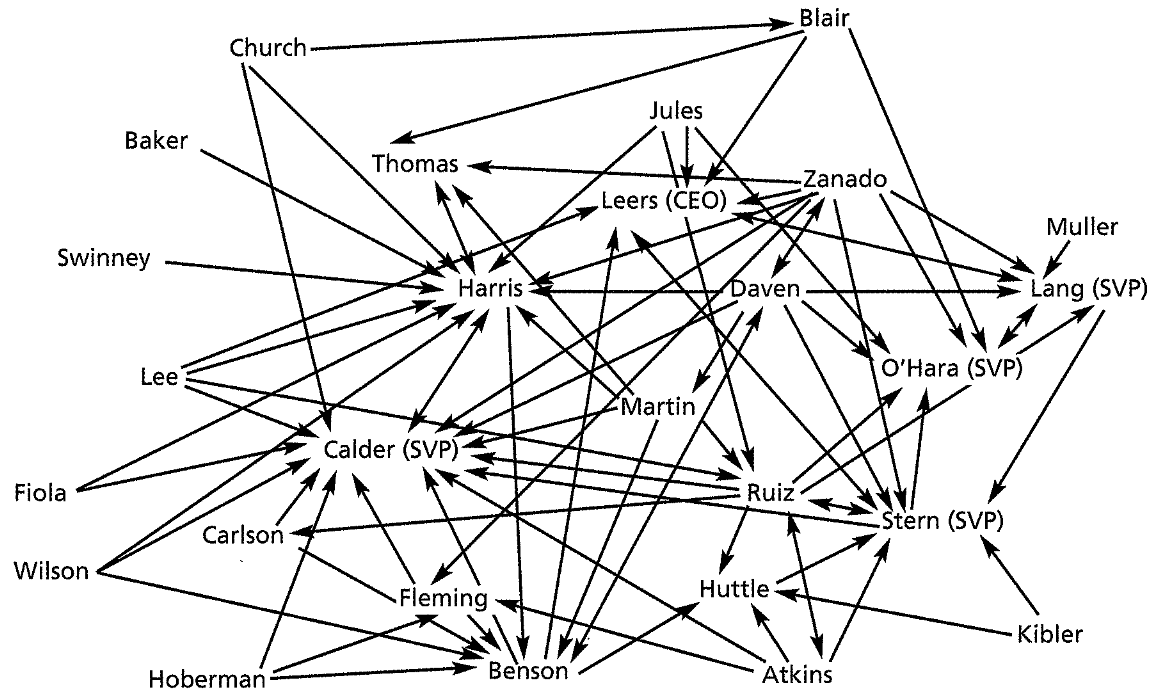
To persuade employees to support a new direction for the company, Leers decided to involve them in the planning process. He formed a strategic task force composed of members of all divisions and led by a member of field design to signal his continuing commitment to the group. He wanted a leader who had credibility with his peers and was a proven performer. Eight-year company veteran Tom Harris seemed obvious for the job.

Leers was optimistic after the first meeting. Members generated good discussion about key competitive dilemmas. A month later, however, he found that the group had made little progress. Within two months, the group was completely deadlocked by members championing their own agendas. Although a highly effective manager, Leers lacked the necessary distance to identify the source of his problem.

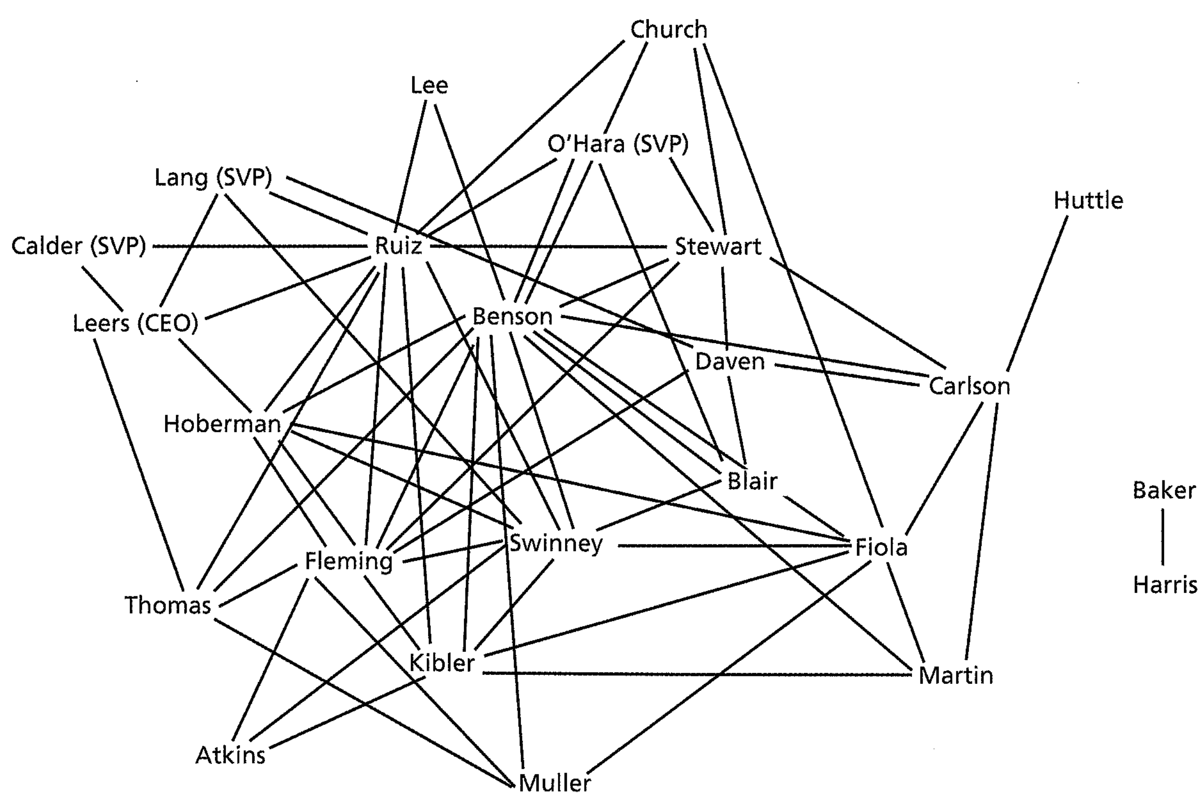
An analysis of the company's trust and advice networks helped him get a clearer picture of the dynamics at work in the task force. The trust map turned out to be most revealing. Task force leader Tom Harris held a central position in the advice network—meaning that many employees relied on him for technical advice (see "The Advice Network Reveals the Experts"). But he had only *one* trust link with a colleague (see "But When It Comes to Trust . . ."). Leers concluded that Harris's weak position in the trust network was a main reason for the task force's inability to produce results.

In his job, Harris was able to leverage his position in the advice network to get work done quickly. As a task force leader, however, his techni-

The Advice Network Reveals the Experts



But When It Comes to Trust . . .



cal expertise was less important than his ability to moderate conflicting views, focus the group's thinking, and win the commitment of task force members to mutually agreed-upon strategies. Because he was a loner who took more interest in computer games than in colleagues' opinions, task force members didn't trust him to take their ideas seriously or look out for their interests. So they focused instead on defending their turf.

With this critical piece of information, the CEO crafted a solution. He did not want to undermine the original rationale of the task force by declaring it a failure. Nor did he want to embarrass a valued employee by summarily removing him as task force head. Any response, he concluded, had to run with the natural grain of the informal organization. He decided to redesign the team to reflect the inherent strengths of the trust network.

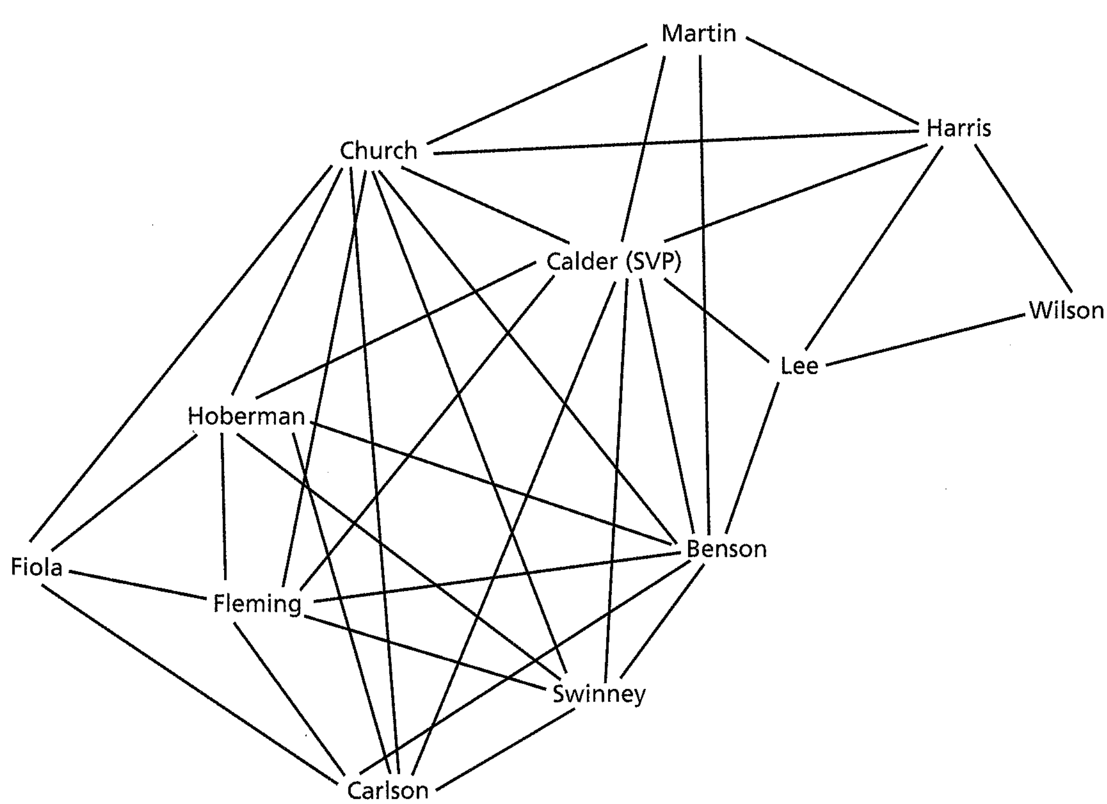
Referring to the map, Leers looked for someone in the trust network who could share responsibility with Harris. He chose Bill Benson, a warm, amiable person who occupied a central position in the network and with whom Harris had already established a solid working relationship. He publicly justified his decision to name two task force heads as necessary, given the time pressures and scope of the problem.

Within three weeks, Leers could see changes in the group's dynamics. Because task force members trusted Benson to act in the best interest of the entire group, people talked more openly and let go of their fixed positions. During the next two months, the task force made significant progress in proposing a strategic direction for the company. And in the process of working together, the task force helped integrate the company's divisions.

A further look at the company's advice and trust networks uncovered another serious problem, this time with the head of field design, Jim Calder.

The CEO had appointed Calder manager because his colleagues respected him as the most technically accomplished person in the division. Leers thought Calder would have the professional credibility to lead a diverse group of very specialized design consultants. This is a common practice in professional service organizations: make your best producer the manager. Calder, however, turned out to be a very marginal figure in the trust network. His managerial ability and skills were

How the CEO Views the Trust Network



The Trust Network According to Calder

sorely lacking, which proved to be a deficit that outweighed the positive effects derived from his technical expertise. He regularly told people they were stupid and paid little attention to their professional concerns.

Leers knew that Calder was no diplomat, but he had no idea to what extent the performance and morale of the group were suffering as a result of Calder's tyrannical management style. In fact, a map based on Leers's initial perceptions of the trust network put Calder in the central position (see "How the CEO Views the Trust Network"). Leers took for granted that Calder had good personal relationships with the people on his team. His assumption was not unusual. Frequently, senior managers presume that formal work ties will yield good relationships over time, and they assume that if *they* trust someone, others will too.

The map of Calder's perceptions was also surprising (see "The Trust Network According to Calder"). He saw almost no trust links in his group at all. Calder was oblivious to *any* of the trust dependencies emerging around him—a worrisome characteristic for a manager.

The information in these maps helped Leers formulate a solution. Again, he concluded that he needed to change the formal organization to reflect the structure of the informal network. Rather than promoting or demoting Calder, Leers cross-promoted him to an elite "special solutions team," reporting directly to the CEO. His job involved working with highly sophisticated clients on specialized problems. The position took better advantage of Calder's technical skills and turned out to be good for him socially as well. Calder, Leers learned, hated dealing with the formal management responsibilities and the pressure of running a group.

Leers was now free to promote John Fleming, a tactful, even-tempered employee, to the head of field design. A central player in the trust network, Fleming was also influential in the advice network. The field group's performance improved significantly over the next quarter, and the company was able to create a highly profitable revenue stream through the activities of Calder's new team.

Whom Do You Talk To?

When it comes to communication, more is not always better, as the top management of a large East Coast bank discovered. A survey showed that customers were dissatisfied with the information they were receiving about bank services. Branch managers, top managers realized, were not communicating critical information about available services to tellers. As a result, customers' questions were not answered in a timely fashion.

Management was convinced that more talking among parties would improve customer service and increase profits. A memo was circulated ordering branch managers to "increase communication flow and coordination within and across branches and to make a personal effort to increase the amount and effectiveness of their own interpersonal communications with their staffs."

A study of the communication networks of 24 branches, however, showed the error of this thinking. *More* communication ties did not distinguish the most profitable branches; the *quality* of communication determined their success. Nonhierarchical branches, those with two-way communication between people of all levels, were 70% more profitable than branches with one-way communication patterns between "superiors" and staff.

The communication networks of two branches located in the same city illustrated this point. Branch 1 had a central figure, a supervisor, with whom many tellers reported communicating about their work on a daily basis. The supervisor confirmed that employees talked to her, but she reported communicating with only half of these tellers about work-related matters by the end of the day. The tellers, we later learned, resented this one-way communication flow. Information they viewed as critical to their success flowed up the organization but not down. They complained that the supervisor was cold and remote and failed to keep them informed. As a result, productivity suffered.

In contrast, Branch 2 had very few one-way communication lines but many mutual, two-way lines. Tellers in this branch said they were well-informed about the normal course of work flow and reported greater satisfaction with their jobs.

After viewing the communication map, top management abandoned the more-is-better strategy and began exploring ways of fostering mutual communication in all the branches. In this case, management did not recast the formal structure of the branches. Instead, it opted to improve relationships within the established framework. The bank sponsored mini-seminars in the branches, in which the problems revealed by the maps were openly discussed. These consciousness-raising sessions spurred many supervisors to communicate more substantive information to tellers. District managers were charged with coming up with their own strategies for improving communication. The bank surveyed employees at regular intervals to see if their supervisors were informed of the results.

The communication network of a third branch surfaced another management challenge: the branch had divided itself into two distinct groups, each with its own culture and mode of operation. The network map showed that one group had evolved into the "main branch," consisting of tellers, loan officers, and administrative staff. The other group was kind of a "sub-branch," made up primarily of tellers and administrators. It turned out that the sub-branch staff worked during non-peak and Saturday hours, while main-branch employees worked during the peak and weekday hours. The two cultures never clashed because they rarely interacted.

The groups might have coexisted peacefully if customers had not begun complaining about the sub-branch. The main-branch staff, they reported, was responsive to their needs, while the sub-branch staff was often indifferent and even rude. Sub-branch employees, it turned out, felt little loyalty to the bank because they didn't feel part of the organization. They were excluded from staff meetings, which were scheduled in the morning, and they had little contact with the branch manager, who worked a normal weekday shift.

The manager, who was embedded in the main branch, was not even aware that this distinct culture existed until he saw the communication network map. His challenge was to unify the two groups. He decided not to revamp the formal structure, nor did he mount a major public-relations campaign to integrate the two cultures, fearing that each group would reject the other because the existing ties among its members were so strong. Instead, he opted for a stealth approach. He exposed people from one group to people from the other in the hopes of expanding the informal network. Although such forced interaction does not guarantee the emergence of stable networks, more contact increases the likelihood that some new ties will stick.

Previously planned technical training programs for tellers presented the opportunity to initiate change. The manager altered his original plans for on-site training and opted instead for an off-site facility, even though it was more expensive. He sent mixed groups of sub-branch and main-branch employees to programs to promote gradual, neutral interaction and communication. Then he followed up with a series of selective "staff swaps" whereby he shifted work schedules temporarily. When someone from the main branch called in sick or was about to go on vacation, he elected a substitute from the sub-branch. And he rescheduled the staff meetings so that all employees could attend.

This approach helped unify the two cultures, which improved levels of customer satisfaction with the branch as a whole over a six-month period. By increasing his own interaction with the sub-branch, the manager discovered critical information about customers, procedures, and data systems. Without even realizing it, he had been making key decisions based on incomplete data.

Network Holes and Other Problems

As managers become more sophisticated in analyzing their communication networks, they can use them to spot five common configurations. None of these are inherently good or bad, functional or dysfunctional. What matters is the *fit*, whether networks are in sync with company goals. When the two are at odds, managers can attempt to broaden or reshape the informal networks using a variety of tactics.

Imploded relationships. Communication maps often show departments that have few links to other groups. In these situations, employees in a department spend all their time talking among themselves and neglect to cultivate relationships with the rest of their colleagues. Frequently, in such cases, only the most senior employees have ties with people outside their areas. And they may hoard these contracts by failing to introduce these people to junior colleagues.

To counter this behavior, one manager implemented a mentor system in which the senior employees were responsible for introducing their apprentices to people in other groups who could help them do their jobs. Another manager instituted a policy of picking up the tab for "power breakfasts," as long as the employees were from different departments.

Irregular communication patterns. The opposite pattern can be just as troubling. Sometimes employees communicate only with members of other groups and not among themselves. To foster camaraderie, one manager sponsored seasonal sporting events with members of the "problem group" assigned to the same team. Staff meetings can also be helpful if they're really used to share the resources and exchange important information about work.

A lack of cohesion resulting in factionalism suggests a more serious underlying problem that requires bridge building. Initiating discussions among peripheral players in each faction can help uncover the root of the problem and suggest solutions. These parties will be much less resistant to compromise than the faction leaders, who will feel more impassioned about their positions.

Fragile structures. Sometimes group members communicate only among themselves and with employees in one other division. This can be problematic when the contribution of several areas is necessary to accomplish work quickly and spawn creativity. One insurance company manager, a naturally gregarious fellow, tried to broaden employees' contracts by organizing meetings and cocktail parties for members of several divisions. Whenever possible, he introduced employees he thought should be cultivating working relationships. Because of his warm, easygoing manner, they didn't find his methods intrusive. In fact, they appreciated his personal interest in their careers.

Holes in the network. A map may reveal obvious network holes, places you would expect to find relationship ties but don't. In a large corporate law firm, for example, a group of litigators was not talking to the firm's criminal lawyers, a state of affairs that startled the senior partner. To begin tackling this problem, the partner posed complex problems to criminal lawyers that only regular consultations with litigators could solve. Again, arranging such interactions will not ensure the formation of enduring relationships, but continuous exposure increases the possibility.

"Bow ties." Another common trouble spot is the bow tie, a network in which many players are dependent on a single employee but not on each other. Individuals at the center knot of a bow tie have tremendous power and control within the network, much more than would be granted them on a formal organizational chart. If the person at the knot leaves, connections between isolated groups can collapse. If the person remains, organizational processes tend to become rigid and slow, and the individual is often torn between the demands of several groups. To undo such a knot, one manager self-consciously cultivated a stronger relationship with the person at the center. It took the pressure off the employee, who was no longer a lone operative, and it helped to diffuse some of his power.

In general, managers should help employees develop relationships within the informal structure that will enable them to make valuable contributions to the company. Managers need to guide employees to cultivate the right mix of relationships. Employees can leverage the power of informal relationships by building both strong ties, relationships with a high frequency of interaction, and weak ties, those with a lower frequency. They can call on the latter at key junctures to solve organizational problems and generate new ideas.

Testing the solution. Managers can anticipate how a strategic decision will affect the informal organization by simulating network maps. This is particularly valuable when a company wants to anticipate reactions to change. A company that wants to form a strategic SWAT team that would remove key employees from the day-to-day operations of a division, for example, can design a map of the area without those players. If removing the central advice person from the network leaves the division without a group of isolates, the manager should reconsider the strategy.

Failure to test solutions can lead to unfortunate results. When the trust network map of a bank showed a loan officer to be an isolate, the manager jumped to the conclusion that the officer was expendable. The manager was convinced that he could replace the employee, a veteran of the company, with a younger, less expensive person who was more of a team player.

What the manager had neglected to consider was how important this officer was to the company's day-to-day operations. He might not have been a prime candidate for a high-level strategy team that demanded excellent social skills, but his expertise, honed by years of experience, would have been impossible to replace. In addition, he had cultivated a close relationship with the bank's largest client—something an in-house network map would never have revealed. Pictures don't tell the whole story; network maps are just one tool among many.

The most important change for a company to anticipate is a complete overhaul of its formal structure. Too many companies fail to consider how such a restructuring will affect their informal organizations. Managers assume that if a company eliminates layers of bureaucracy, the informal organization will simply adjust. It will adjust all right, but there's no guarantee that it will benefit the company. Managers would do well to consider what type of redesign will play on the inherent strengths of key players and give them the freedom to thrive. Policies should allow all employees easy access to colleagues who can help them carry out tasks quickly and efficiently, regardless of their status or area of jurisdiction.

Experienced network managers who can use maps to identify, leverage, and revamp informal networks will become increasingly valuable as companies continue to flatten and rely on teams. As organizations abandon hierarchical structures, managers will have to rely less on the authority inherent in their title and more on their relationships with players in their informal networks. They will need to focus less on overseeing employees "below" them and more on managing people across functions and disciplines. Understanding relationships will be the key to managerial success.