



# The Ethics of Power, Influence, and Persuasion: Points to Honor

EXCERPTED FROM

*Power, Influence, and Persuasion:  
Sell Your Ideas and Make Things Happen*

Harvard Business School Press  
*Boston, Massachusetts*

ISBN-10: 1-4221-0551-2  
ISBN-13: 978-1-4221-0551-1  
5511BC

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Printed in the United States of America

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# 8

## The Ethics of Power, Influence, and Persuasion

*Points to Honor*

### Key Topics Covered in This Chapter

- *Two standards to which ethical power must conform*
- *Pressures on the ethics of young managers*
- *The frequent use of manipulation*
- *Five ways to create an ethical culture*

**P**OWER, INFLUENCE, and persuasion have one thing in common with explosives. When used carefully and for well-intentioned purposes, all are capable of good. Most of us know the damage that they can cause when handled carelessly, irresponsibly, or with evil intent.

Power corrupts those who wield it, as the example of every tyrant from Caligula to Pol Pot verifies. Influence can also be malignant. Shakespeare's *Othello* has given us a powerful example in Iago, who uses his influence to manipulate and destroy the people who trust him. And we all know of silver-tongued persuaders who will say anything, promise everything, and eventually deliver nothing; these people will do whatever it takes to get what they want: a sale, a promotion, an election day victory.

These examples, however, should not dissuade us from the legitimate uses of power, influence, and persuasion. Each has an important role to play in business and in everyday life. This chapter addresses the ethical issues associated with their use.

### **The Ethical Exercise of Power**

When historian Lord Acton (1832–1902) warned his students and his readers that “Power tends to corrupt, and absolute power corrupts absolutely,” he did so because of his concern for the danger posed to liberty by holders of political power. And there is no shortage of evidence that his concern was well founded. As a scholar of

the classics, Acton was familiar with tyrannies among the ancient Greeks and with the history of Rome, in which the virtues and liberties of republicanism were swept away by absolutist emperors. One need only read Suetonius' account *The Twelve Caesars* to appreciate how power can lead to tyranny, and to the debasement of those who hold it.

We have seen in our own time what can happen when one person has inordinate power over others. People around the world were shocked in mid-2004 by news accounts of how some U.S. soldiers had abused and humiliated prisoners held in Iraq's Abu Ghraib jail. How could members of a professional army—people who had grown up in the same types of homes as the rest of us—do these things? Could it be that the prison scandal was merely the fault of a few bad apples?

Apologists cited inadequate training and lack of supervision by superior officers. But these explanations seem inadequate. At the heart of the problem was the unchecked and unaccountable power that the guards had over their prisoners—the same power that Acton warned of more than a century earlier. More to the point, this type of abuse—and even worse torments—has been standard procedure in the same prison during the Saddam Hussein regime, when similar conditions prevailed. As if to demonstrate that the corruptive influence of absolute power has no nationality, we know that American prisoners of previous military conflicts had experienced even worse abuses at the hands of Japanese, North Korean, and North Vietnamese captors.

Oddly, the prisoner abuses exposed in 2004 could have been predicted by a simulated prison experiment conducted at Stanford University in 1971 under the guidance of psychologist Philip Zimbardo. There, in the basement of the university's psychology department building, seemingly normal people became abusive when given power over others.

Reflecting on that experiment in light of the Iraqi situation, Zimbardo identified the situational settings in which things like this occur. "My research and that of my colleagues has catalogued the conditions for stirring the crucible of human nature in negative

directions. Some of the necessary ingredients are: diffusion of responsibility, anonymity, dehumanization, peers who model harmful behavior, bystanders who do not intervene, and a setting of power differentials.”<sup>1</sup> The last three of these conditions are found in some business organizations.

### *The Stanford Prison Experiment*

The simulated prison situation set up and monitored by Zimbardo and his colleagues aimed to determine what happens when you put normal people in a situation where they have power over others—in this case, as prison guards. Would they retain their humanity, or become abusive and evil? More specifically, the team wanted to observe the psychological effects of becoming a prisoner or prison guard.

A group of mentally well-balanced, intelligent, middle-class male volunteers was randomly divided into two groups: prisoners and guards. Although both groups understood that they were merely part of a simulation, the line between simulation and prison reality quickly faded. As Zimbardo would write later, “The planned two-week study was terminated after only six days because it was out of control. Good boys chosen for their normalcy were having emotional breakdowns as powerless prisoners. Other young men chosen for their mental health and positive values eased into the character of sadistic guards inflicting suffering on their fellow students without moral compunction. And those ‘good guards’ who did not personally debase the prisoners failed to confront the worst of their comrades, allowing evil to ripen without challenge.”<sup>a</sup>

The details of the Stanford prison simulation can be viewed at [www.prisonexp.org](http://www.prisonexp.org).

<sup>a</sup> Philip G. Zimbardo, *The Boston Globe*, May 9, 2004. View at <[www.boston.com/news/globe/editorial\\_opinion/oped/articles/2004/05/09/power\\_turns\\_good\\_soldiers\\_into\\_bad\\_apples](http://www.boston.com/news/globe/editorial_opinion/oped/articles/2004/05/09/power_turns_good_soldiers_into_bad_apples)>.

Yes, power has the capacity to corrupt. But power is necessary to the functioning of organizations and society. How do we get the latter and not the former? The solution is the ethical use of power. Power used ethically conforms to these two standards:

1. It is exercised to benefit the entity from which power is derived and that it is responsible to serve.
2. It conforms to cultural or legal standards of ethical behavior.

The first of these conditions represents the lowest order of the ethical exercise of power. Here, the person wielding power recognizes that he must use that power in the best interests of the organization that invested him with it.

For example, if an executive exercises power in support of a research project that, if successful, will benefit his organization, he is acting in an ethical manner. Thus, former General Electric CEO Jack Welch acted ethically when he used his power to obtain discretionary funds for a struggling R&D project—an unusual step in that his action was outside the review process normally used to allocate resources. The engineers and scientists working on that project were trying to develop an X-ray system based on digital technology. Normally, project funding was conducted through a formal process, but Welch, seeing the great potential of this struggling endeavor and its troubles in getting funding, used his considerable power of position to intervene.<sup>2</sup> His intervention kept the project alive. The project eventually reached the point where it could obtain funding through normal channels, and it went on to great success, producing revenues for GE and its shareholders.

In contrast to the ethical exercise of organizational power, you can probably cite examples of executives and politicians who have used the power vested in their positions for personal gain or for the benefit of their friends and family. Consider this true example:

*Homeowners in a medium-sized community found a letter enclosed with their quarterly water and sewer bills. It was written on city stationery and signed by the city's commissioner of public works. The letter advised homeowners of a special form of insurance offered by a private*

*company—an insurance policy that would pay for the repair and replacement of any broken underground water pipes on their property. Without explicitly recommending that homeowners should buy policies from this company, it did provide the company's phone number and urged that homeowners call if they had any interest.*

*Many wondered, "Why are city officials using taxpayer time and money to publicize the services of a for-profit, private company? Shouldn't that company be doing its own advertising—just like every other business?" Digging into the story, an enterprising news reporter discovered close ties between the city's mayor and the marketing vice president of the insurance company. Furthermore, two years earlier the mayor had encouraged the previous public works commissioner to send the same letter to homeowners. But that individual refused, saying that it seemed unethical.*

If the mayor had, in fact, used the power vested in him by the community to benefit the insurance executive and his company, then that would have been an unethical use of power.

Our second condition for the ethical exercise of power—that it must conform to cultural or legal standards of ethical behavior—trumps the first. Thus, using power to the advantage of your organization is unethical if it is illegal or if it fails to meet the standards of behavior expected by the community. Consider this example:

*A salesperson is empowered to represent her company's products to customers with the goal of obtaining orders. If she makes the best case for those products in a truthful manner, she will be acting ethically. Lying and other forms of deception would clearly benefit her company—at least in the short term—but would violate cultural (and perhaps legal) standards of ethical behavior. She would be exercising her power unethically.*

Everyone who works for an organization faces the dilemma inherent in these two aspects of ethical behavior. Here, the cynic's definition of a diplomat comes to mind: "an honest person sent abroad to lie on behalf of his country." People are routinely forced to choose between what is best for the organization and what is right in terms of higher ethical standards. Harvard professor Joseph Badaracco Jr.



found clear evidence of this in a research study based principally on interviews with thirty recent Harvard Business School graduates. Badaracco describes what happened:

*In many cases, young managers received explicit instructions from their middle-manager bosses or felt strong organizational pressure to do things that they believed were sleazy, unethical, or sometimes illegal. Second, corporate ethics programs, codes of conduct, mission statements, hot lines, and the like provided little help. Third, many of the young managers believed that their company's executives were out-of-touch on ethical issues, either because they were too busy or because they sought to avoid responsibility.<sup>3</sup>*

Interviewees cited pressures from their powerful bosses that put them in ethical dilemmas. One was told to make up data to support his boss's plan. "Just do it," he was told. Another cited several cases in which whistle-blowers—people who brought unethical or illegal practices to the attention of top management—met with disastrous personal consequences. Still others feared that doing the right thing would cost them their jobs.

### **The Ethics of Influence and Persuasion**

Whether your influence is direct or indirect, influence is most effective when it is based on mutual gain. Ethical practitioners recognize opportunities for mutual gain inherent in any situation. Indeed, this is one hallmark of a master negotiator: the ability to identify and pursue win-win opportunities. These people also consider the long-term implications of everything they do. They know that unethical tactics can destroy in an instant a reputation of trust and credibility built over years. When that goes, their ability to influence goes with it.

Perhaps the greatest violation of the ethical use of influence is manipulation. In their book *Influence Without Authority*, Allan Cohen and David Bradford define *manipulation* as "actions taken to achieve influence that would be rendered less effective if the other party

knew one's actual intentions."<sup>4</sup> Here are a few examples of unethical influence:

- Exaggerating your demands in a negotiation, knowing that you can settle for less and still achieve your goals. For example, a labor union representative would be happy to receive a 4 percent pay increase in a new contract but asks for more: "The compensation of our people has been losing purchasing power due to inflation for several years. We need a 7 percent raise just to catch up."
- Concealing your true intentions in order to influence a better outcome for yourself. Consider the example of a manager who is trying to rid herself of a poorly performing subordinate. "I hate to lose you," she lies, "but taking that open position in the logistics department will help you get ahead in the company."
- Deliberately providing false information to gain advantage. "I've heard that David Jones plans to take early retirement this year," the manager lies to an associate he is trying to recruit to his team. "So joining David's project team instead of mine would be a very bad career move for you. Once he's gone, his team will be a ship without a rudder."

Manipulative practices such as these can produce short-term gains at the expense of others; these are win-lose situations. But as Cohen and Bradford point out, the manipulator is eventually found out, and her future ability to influence is compromised, making her ineffective in future dealings. "Fooling some of the people some of the time is not enough for sustained success in today's interdependent organizations," they write. "Those who lie to get their way are almost inevitably found out and then frozen out of the action by peers and bosses who do not trust them . . . A reputation for shady practices, or even for constant self-interest at the expense of others, is corrosive; colleagues and bosses resist the influence attempts of those they don't trust."<sup>5</sup>

The sin of omission—that is, failing to reveal facts that would jeopardize your case—is another tool of manipulation, and one that tempts people who persuade. Consider this example:

*Jean-Michel, a representative of a stock brokerage firm, is talking with a client on the telephone. The subject is the forthcoming issue of shares of DataTrix, Inc., a fast-growing young software company. Jean-Michel believes that DataTrix has great business potential and that buying its shares at this early stage could result in very high returns. “Who knows?” he tells his client. “This might be the next Microsoft.”*

*Jean-Michel also understands that high potential returns go hand in hand with high risk. In fact, he knows that the investment landscape is littered with the graves of small technology companies such as DataTrix. For every Microsoft, dozens of other companies have failed. And one can rarely differentiate them in the early stages.*

*By the rules of his profession, Jean-Michel should disclose the risks of the investments he advocates. But experience has taught him an important fact of investor behavior: Dwelling too much on the risks discourages clients from making a transaction. And if he fails to make the sale, neither he nor the brokerage firm will receive any commission income. So, he wonders, “How far should I go in discussing the risks with this client?”*

In this case, Jean-Michel’s expertise and stock market experience have given him a measure of influence over his client. How should he use that influence? Clearly, if he speaks to the benefits of owning the newly issued shares, he is obliged to be equally forthcoming about the risks.

## A Solution

Power, influence, and persuasion are necessary as well as dangerous, and they create ethical dilemmas. Some people must have greater power than others in order to influence behavior and make tough decisions. But that same power can be used in malicious ways. People must also apply persuasion in order to get things done; but

powers of persuasion are always only a step away from self-serving manipulation.

Can anything be done to neutralize or eliminate the ethical dilemmas associated with power, influence, and persuasion? The answer is yes. Top management and corporate boards can reduce or eliminate them by doing the following:

- Aligning company policies and standards with the highest legal and ethical expectations of behavior.
- Zealously enforcing those policies and standards.
- Including ethical performance in appraisals of individual job performance—and taking them seriously.
- Seeing to it that executives and managers who are invested with power are morally and ethically equipped to use it wisely.
- Acting as visible models of ethical behavior by acting wisely and temperately in their use of power, influence, and persuasion. Senior managers can be models of ethical behavior only if they get out of their offices and interact with people at lower levels.

These five activities may seem like idealistic solutions, but they are easily within the capacity of senior managers and the directors to whom they ultimately report. Together, they can create a culture of ethical behavior that is self-policing and self-perpetuating and that sets a high standard for all employees.

Power, influence, and persuasion can be used for both good and evil. The challenge for management is to create an organizational culture in which the good side prevails.

### **Summing Up**

- Power used ethically conforms to each of these standards: It is exercised to benefit the entity from which power is derived and that it is responsible to serve, and it conforms to cultural or legal standards of ethical behavior. The second of these standards trumps the first.

- Ethical influence and persuasion are most effective when based on mutual gain.
- Manipulation is the greatest ethical danger in the exercise of influence.
- Senior managers and directors can reduce or eliminate ethical problems if they (1) align company policies and standards with the highest legal and ethical expectations of behavior, (2) enforce those policies and standards, (3) include ethical performance in appraisals of job performance, (4) make certain that people given power have the moral and ethical capacity to use it wisely, and (5) act as models of ethical behavior.

APPENDIX C

## *Commonsense Rules for Presentation Visuals*

Formal presentations are an important tool of persuasion in modern organizations. Visual images containing text or graphics have become a standard feature in these presentations, so it is imperative that you master them.

Software programs such as Microsoft's PowerPoint, Corel Presentations, Harvard Graphics, and others have made it possible for businesspeople to enhance their presentations with eye-catching text, charts, and graphs. The programs offer numerous color and design features: three-dimensional effects, many font choices, clip art, and much more.

When used judiciously, these programs can create visuals that convey more information in less time than would more traditionally prepared visual aids. The high-tech visuals can get key points across and make them memorable. In the wrong hands, however, these powerful tools can actually confuse or bore the audience, diminishing the impact of an entire presentation. Here are a few rules for making the most of presentation visuals.

### **Rule 1: Subordinate Your Visuals to Your Message**

You and what you have to say should always be the focus of the presentation. Visuals should therefore play no more than a supportive

role. They should never command center stage. Presenters can observe this important rule by following these guidelines:

- Don't try to say everything through overheads.
- Refrain from simply reading your overheads to the audience.
- Avoid visuals that are not essential to the presentation.

## **Rule 2: Keep Your Visuals Simple**

Some presenters clutter every overhead with border-to-border text, as in example A. Extra words detract from the presenter's message

### *Example A [Cluttered]: Challenges for the Coming Year*

The sales force must become more efficient next year. Currently, selling costs are running close to 20 percent of revenues. The industry average is 14 percent.

On average, we have fifteen days of finished goods inventory. Financing and maintaining that inventory are expensive. If we were better at forecasting sales, we could cut that inventory level—perhaps by as much as four days. That would save the company close to \$50,000 per year.

Our work force needs more training to stay competitive. We should aim for forty hours of training for all nonprofessional employees and sixty hours for professional employees.

### *Example B [Simple]: Challenges for the Coming Year*

- Greater sales efficiency
- Less finished goods inventory
- More training for everyone

and make the audience work unnecessarily hard to capture key points.

Example A is overburdened with text. It contains information that would be better conveyed verbally by the speaker. Example B, in contrast, captures the key points without the supporting details. These points are clear and easy to remember.

### **Rule 3: Use a Minimum of Devices**

People who take the time to master presentation software are tempted to use many of their “cool” devices: different colors, many font styles and sizes, shading, and on and on. Don’t fall into this trap. Those devices can deflect attention from the message. Ask yourself, “Do I need the fancy fill effects and the clip art? Would one font style be better than the three I’m using?” In most cases, your visuals will look more professional if you use a bare minimum of devices. Simpler is usually better.

### **Rule 4: Make Your Images Large and Legible**

Your visuals should be clearly legible to everyone in the room—even those in the back row of seats. If you’ve observed rules 2 and 3, then you’ll have plenty of room on each slide or overhead to make your images large.

### **Rule 5: Use Graphics to Tell Key Parts of the Story**

Most people are visually oriented. They perceive and digest information best when it’s presented graphically.

For example, suppose a speaker wants to make the point that one product model has outsold two others. He could simply tell his audience, “Results for the previous twelve months indicate that model C outsold both models A and B.” He could also put this information in an overhead sheet containing the following sentence: “Model C has outsold both model A and model B during the past twelve



months.” The speaker could then go on to detail the relative sales of these three models.

Alternatively, he could use a graphic image that shows the relative sales performance of the three models in unit numbers (figure C-1).

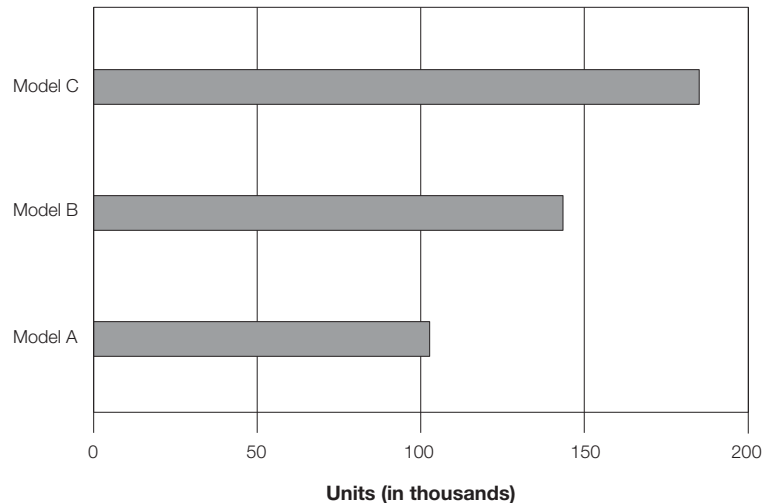
To create the greatest impact, reserve graphics like those in figure C-1 for the key points of your presentation. If you create visuals for everything, the key points will be lost in the clutter.

### Rule 6: Use the Most Appropriate Graphic Form

Most presentation programs and their spreadsheet supporting systems allow you to produce pie charts, column charts, bar charts, line charts, column charts, scattergrams, and so forth. Each is best for presenting certain types of data.

**FIGURE C-1**

#### Presenting Sales Figures Graphically



### Pie Charts

Pie charts are best when your goal is to show the impact of different factors on the whole. Thus, if you wanted your audience to understand the contributions of your company's three product models to total sales revenue, a pie chart would be your best choice (see figure C-2). Each is shown as a slice of the entire pie.

### Bar and Column Charts

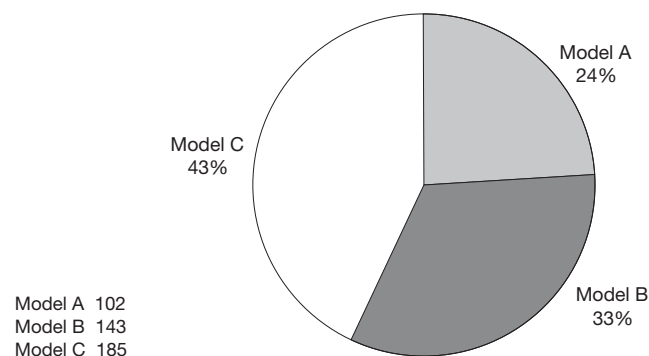
Use bar and column charts when you want the audience to compare outcomes, such as in the model A, B, C bar chart shown earlier in figure C-1. In that chart, the audience can see *both* the relative performances of the three models and their actual unit sales. That's something they won't see in a pie chart.

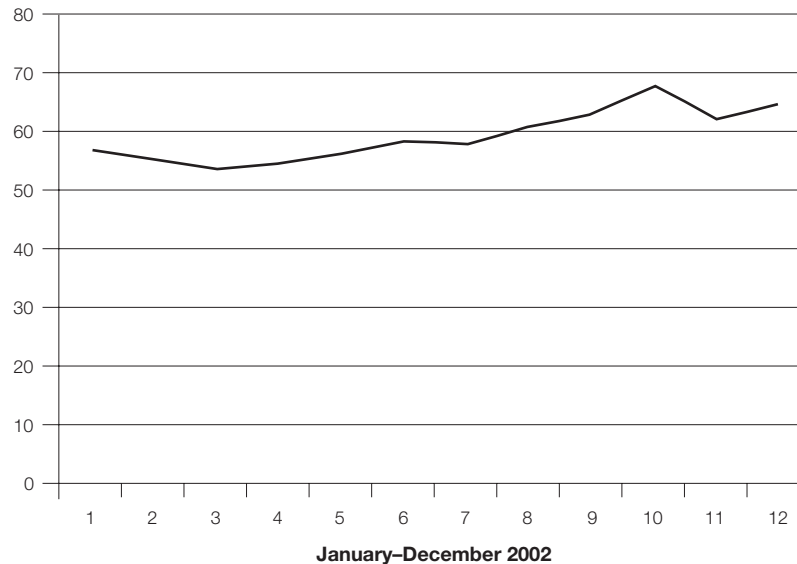
### Line Charts

Line charts are particularly good for indicating trends. In figure C-3, we show the change in the share price of XYZ Corporation over

FIGURE C-2

Using a Pie Chart to Show the Effect of Parts on the Whole



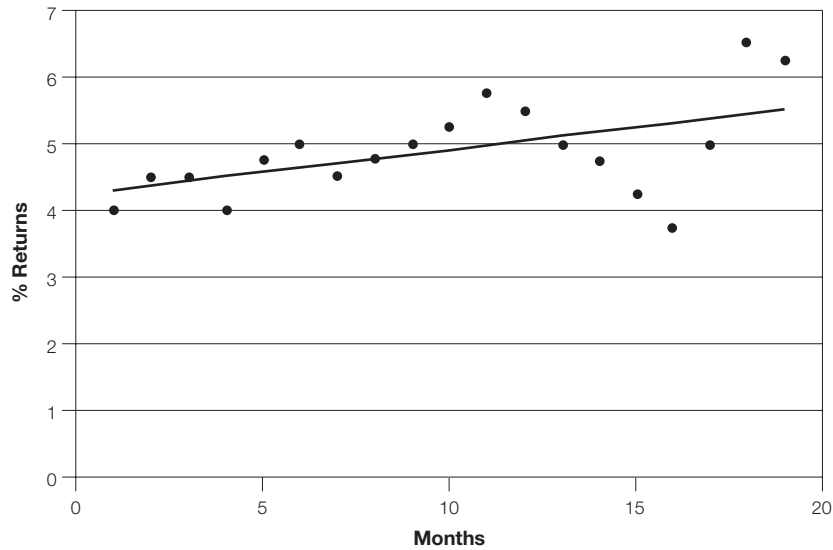
**FIGURE C-3****Using a Line Chart to Show Change over Time**

time—January through December 2002. If we were comparing its price trend to that of a competitor, we could easily put them on the same chart.

**Scattergrams**

If you want to show a statistical linear regression (the best fit of a line drawn through a number of scattered data points), exponential smoothing, or a moving average, a scattergram is your best bet. These charts are invaluable when you have many data points for one specific variable—for example, the merchandise returns from fifty branch stores for each month of a year. Figure C-4 maps data points along the x- (time) and y- (returns) axes. In the figure, we created a best-fit trend line based on statistical linear regression for a vendor's merchandise returns over eighteen months. The audience can see at

FIGURE C-4

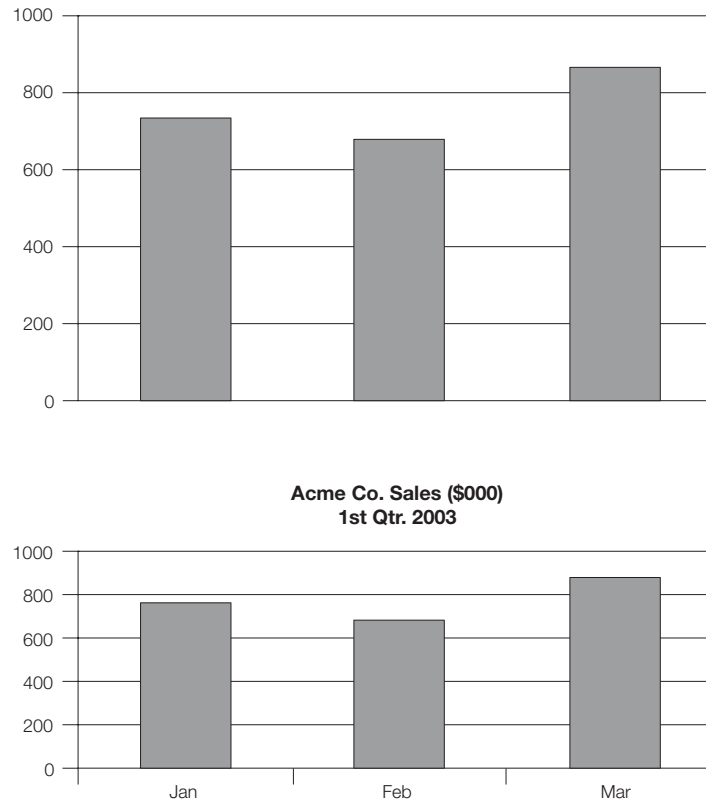
**Scattergram with Linear Trend Line**

a glance the direction that returns are taking, even though the monthly percentage returns are scattered around.

**Rule 7: Label the Key Features of Your Graphics**

Make sure that your audience will understand at a glance what the quantitative data in your graphics represent. For example, the top graph in figure C-5 shows data for a particular company. But what does each column represent? Complaints per salesperson? Total sales revenues? District sales revenues? A month or a quarter of revenues? Are the values on the vertical axis dollars or thousands of dollars? Or are they euros?

In the labeled version of the same chart in figure C-5, the audience can now see that each column represents the dollar value of

**FIGURE C-5****Labels Help Clarify Data**

Acme Company sales, expressed in thousands, for the first three months of 2003.

With the availability of graphics software, it has become easier than ever to prepare illustrations for your presentations. If you observe these seven rules for the use of graphics, your presentations will be more professional and more effective.

## *Notes*

### **Chapter 8**

1. Philip G. Zimbardo, *The Boston Globe*, May 9, 2004. View at <[www.boston.com/news/globe/editorial\\_opinion/oped/articles/2004/05/09/power\\_turns\\_good\\_soldiers\\_into\\_bad\\_apples](http://www.boston.com/news/globe/editorial_opinion/oped/articles/2004/05/09/power_turns_good_soldiers_into_bad_apples)>.

2. As told in Richard Leifer, Christopher McDermott, Gina Colarelli O'Connor, Lois Peters, Mark Rice, and Robert Veryzer, *Radical Innovation* (Boston: Harvard Business School Press, 2000), 56–57.

3. Joseph L. Badaracco Jr. and Allen P. Weber, “Business Ethics: A View from the Trenches,” *California Management Review*, Vol. 37, no. 2 (Winter 1995) 8–9.

4. Allan R. Cohen and David L. Bradford, *Influence Without Authority* (New York: John Wiley & Sons, 1991), ix.

5. *Ibid.*, x.

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The Harvard Business Essentials series is designed to provide comprehensive advice, personal coaching, background information, and guidance on the most relevant topics in business. Drawing on rich content from Harvard Business School Publishing and other sources, these concise guides are carefully crafted to provide a highly practical resource for readers with all levels of experience, and will prove especially valuable for the new manager. To assure quality and accuracy, each volume is closely reviewed by a specialized content adviser from a world-class business school. Whether you are a new manager seeking to expand your skills or a seasoned professional looking to broaden your knowledge base, these solution-oriented books put reliable answers at your fingertips.

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