OB 354 Behavior in Organizations
Prof. Fischer

Agenda

- Chapter 12 – Teams: Processes and Communication
- Chapters 13 & 14 Leadership

Chapter 13

Leadership: Power and Negotiation

ORGANIZATIONAL BEHAVIOR

Improving Performance and Commitment in the Workplace

EIGHTH EDITION

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Agenda – Chapter 13

Leadership: Power and Negotiation

Why Are Some Leaders More Powerful than Others?

- Acquiring power.

- Using influence.

- Power and influence in action.

- Negotiations.

How Important Are Power and Influence?

Learning Goals

13.1   What is leadership, and what role does power play in leadership?

13.2   What are the different types of power that leaders possess, and when can they use those types most effectively?

13.3   What behaviors do leaders exhibit when trying to influence others, and which of these is most effective?

13.4   What is organizational politics, and when is political behavior most likely to occur?

13.5   How do leaders use their power and influence to resolve conflicts in the workplace?

13.6   What are the ways in which leaders negotiate in the workplace?

13.7   How do power and influence affect job performance and organizational commitment?

An Integrative Model of Organizational Behavior
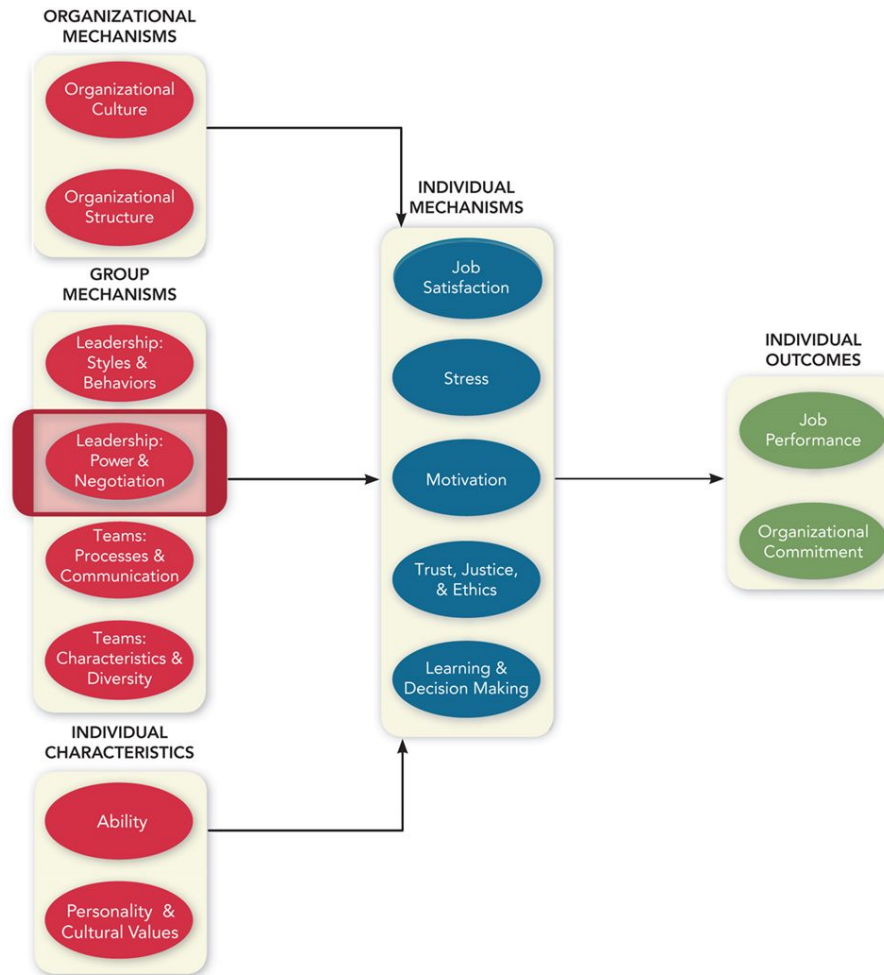
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Leadership: Power and Negotiation

- Leadership is the use of power and influence to direct the activities of followers toward goal achievement.
  - When you think of "effective leaders," who do you think of?
  - The chapter focus is on how leaders get their power and influence and how they use it in organizations.

Why Are Some Leaders More Powerful Than Others?

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- Power is the ability to influence the behavior of others and resist unwanted influence in return.

- Just because a person has the ability to influence others does not mean they will choose to do so.

- Power can be seen as the ability to resist the influence attempts of others.

  - Voicing a dissenting opinion.

  - Refusing to perform a specific behaviour.

  - Organizing an opposition group of coworkers.

Acquiring Power

- Organizational power derives from a person's position within an organization.
    - *Legitimate power* is based on a position of authority in an organization.
    - *Reward power* is based on control of resources or benefits.
    - *Coercive power* is based on ability to punish.

- Personal power derives from the individual.
    - *Expert power* is based on expertise, skill, or knowledge.
    - *Referent power* exists when others have a desire to identify and be associated with a person.
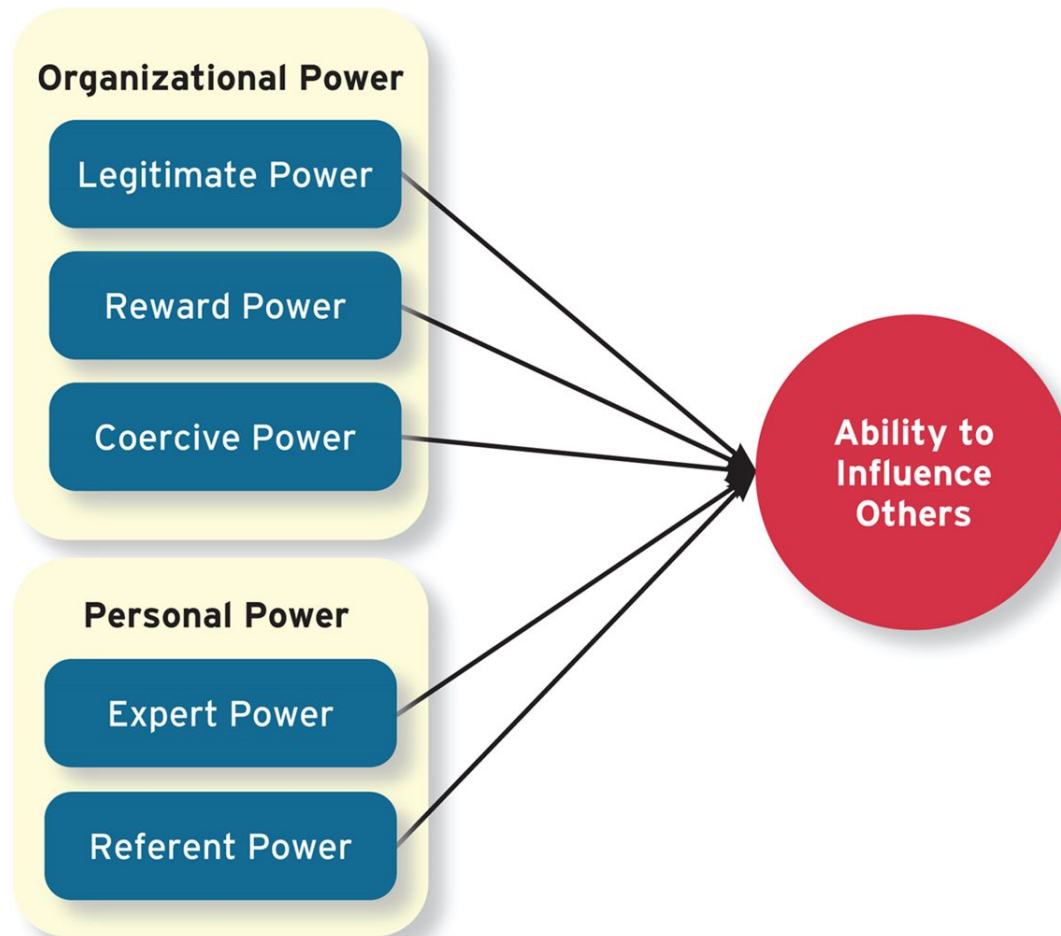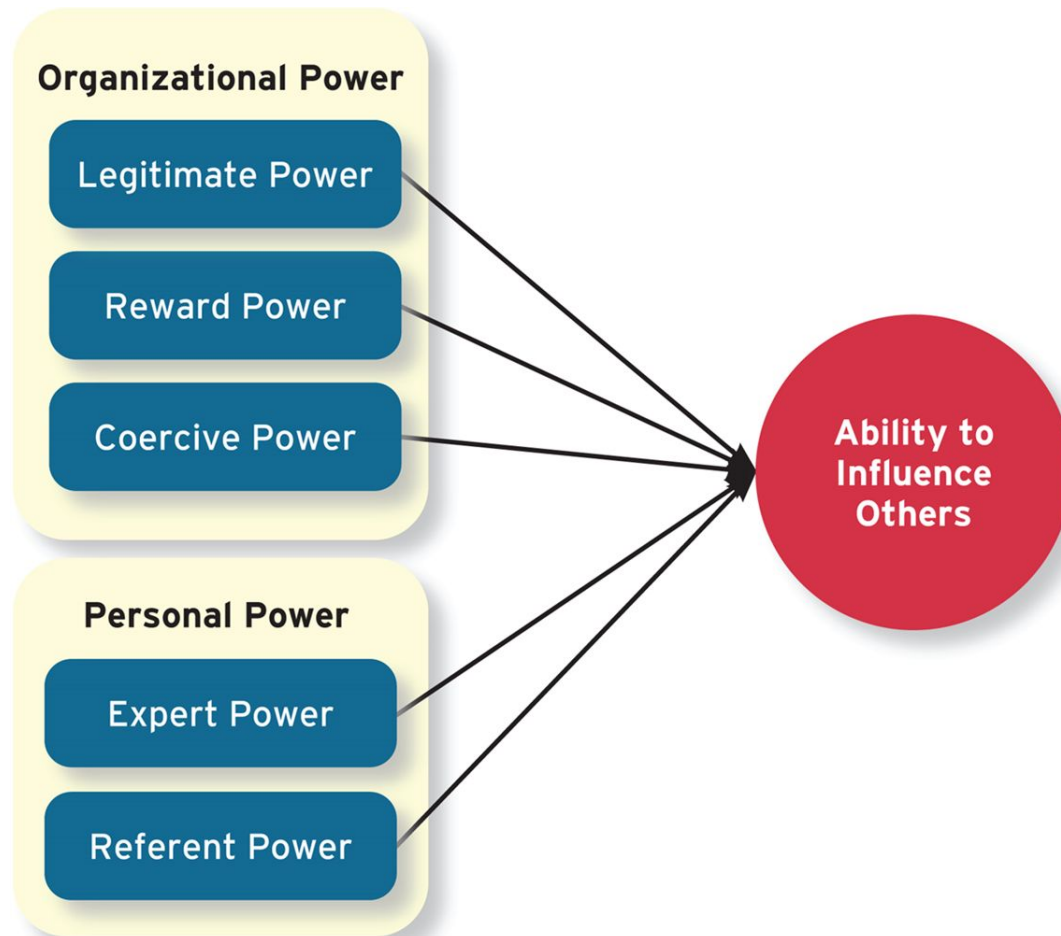
Figure 13-1 Types of Power

Organizational Power
- Legitimate Power
- Reward Power
- Coercive Power

Personal Power
- Expert Power
- Referent Power

Ability to Influence Others

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Table 13-1 *Fortune's* 15 Most Powerful Women in Business in 2020

Rank	Name	Company	Position	Age
1	Julie Sweet	Accenture	CEO	53
2	Mary Barra	General Motors	Chair and CEO	58
3	Abigail Johnson	Fidelity Investments	Chair and CEO	58
4	Gail Boudreaux	Anthem	President and CEO	60
5	Caro Tome'	UPS	CEO	63
6	Jane Fraser	Citi	CEO of Global Consumer Banking; president	53
7	Ruth Porat	Google, Alphabet	SVP and CFO	62
8	Sheryl Sandberg	Facebook	COO	51
9	Corie Barry	Best Buy	CEO	45
10	Judith McKenna	Walmart Int'l	President and CEO	54
11	Safra Katz	Oracle	CEO	58
12	Alicia Boler Davis	Amazon	SVP of Global Customer Fulfillment	50
13	Karen Lynch	CVS	EVP of CVS Health, president of Aetna	57
14	Phebe Novakovic	General Dynamics	Chair and CEO	62
15	Ann-Marie Campbell	Home Depot	EVP of U.S. Stores and International Operations	55

- Source: D. Abril, K. Bellstrom, R. Hackett, M. Heimer, E. Hinchliffe, A. Jenkins, B. Kowitt, M. Lev-Ram, S. Mukherjee, A. Pressman, L. Shen, A. Sraders, J. Vanian, P. Wahba, and J. Wieczner, "Most Powerful Women," *Fortune* 182, no. 3 (November 2020), pp. 65–77.

Figure 13-1 Types of Power

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Expert Power

1	2	3	4	5
STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE

1. I can provide others with the technical details that they need in their work.

2. I can give others advice that flows from my unique expertise.

3. I have skills and training that I can share with others to improve their work.

4. I am able to provide sound technical suggestions to my colleagues

- Average Score: 14

Referent Power

1	2	3	4	5
STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE

1. I can make others feel a sense of pride.

2. I can give others a sense of importance.

3. I can make others feel a sense of value.

4. I can serve as a positive role model to others.

- Average Score: 12

Table 13-2 Guidelines for Using Power

Type of Power	Guidelines for Use
Legitimate	• Stay within the rights your position holds. • Communicate your request politely. • Make sure you describe the purpose of your request.
Reward	• Propose rewards that are attractive. • Only offer what you can follow through on. • Be clear on exactly what you are offering a reward for.
Coercive	• Warn people prior to giving punishment. • Make sure punishment is fair relative to the nature of the lack of compliance. • Follow through quickly and without discrimination or bias.
Expert	• Put forth data or other evidence to support your proposal. • Communicate why the request is important and the justification for it. • Be consistent, thoughtful, and honest about requests.
Referent	• Follow through on commitments. • Do things for others even when not required to do so. • Support and uphold others when called for.

- Source: For a more detailed list of guidelines and discussion, see Gary A. Yukl, *Leadership in Organizations*, 7th ed. (New York: Pearson, 2010).

Contingency Factors

- Substitutability: Having alternatives in accessing resources
- Discretion: Having the right to make decisions on their own
- Centrality: How important a person's job is and how many people depend on that person to accomplish their tasks
- Visibility: How aware others are of a leader and the resources that leader can provide
- Leaders are better able to use their power when they have:
  - Low substitutability.
  - High discretion.
  - High centrality.
  - High visibility.

  - Why?

Table 13-3 The Contingencies of Power

Contingency	Leader's Ability to Influence Others Increases When . . .
Substitutability	There are no substitutes for the rewards or resources the leader controls.
Centrality	The leader's role is important and interdependent with others in the organization.
Discretion	The leader has the freedom to make their own decisions without being restrained by organizational rules.
Visibility	Others know about the leader and the resources they can provide.

Using Influence

- Influence: The use of an actual behavior that causes behavioral or attitudinal changes in others
  - Most frequently occurs downward (managers influencing employees).
  - Can also be lateral (peers influencing peers) or upward (employees influencing managers).
  - *Relativity:* the degree of disparity between the influencer and the influence.

Most Effective Influence Tactics

- Leaders depend on a number of tactics to cause behavioral or attitudinal changes in others:
  - **Rational persuasi**on: Using logical arguments and facts.
  - **Inspirational appeal**: Appealing to values and ideals to create an emotional reaction.
  - **Consultation**: Allowing target to participate in decision.
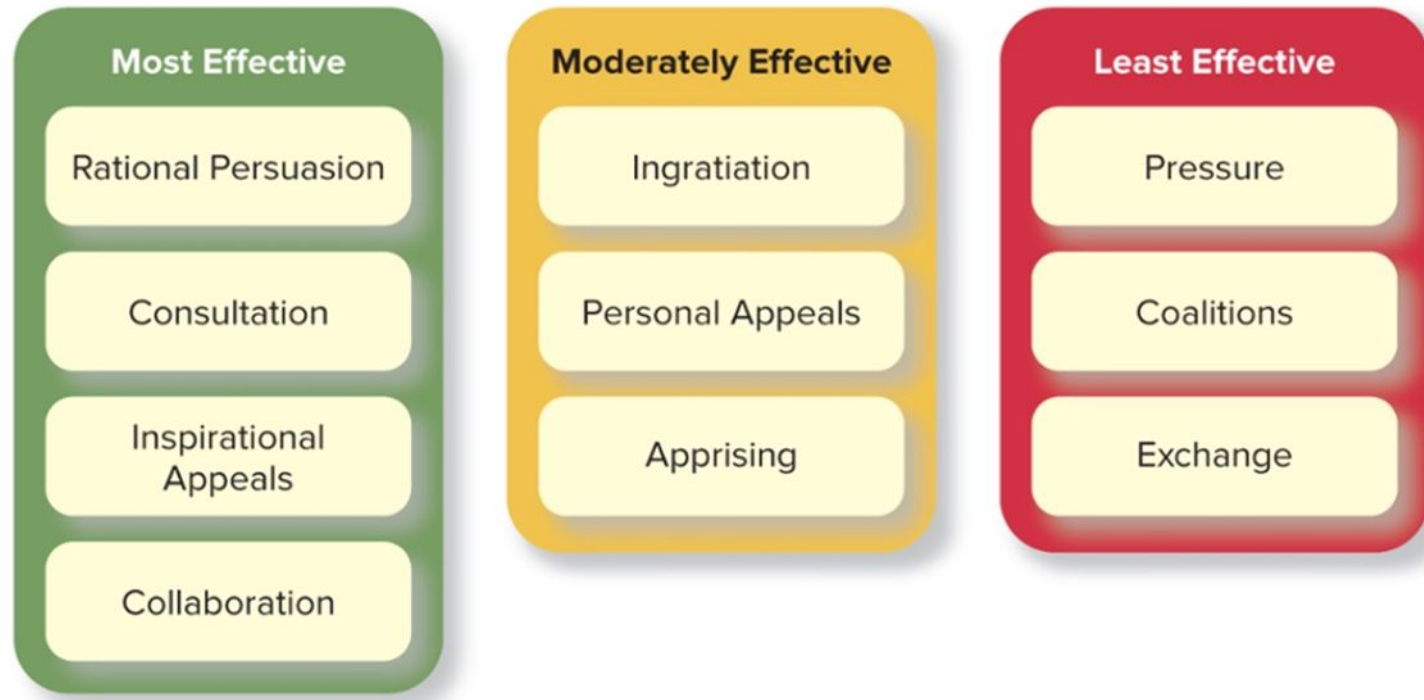 - **Collaboration**: Working together to maximize outcomes.

Moderately Effective Influence Tactics

- Tactics that are sometimes effective:
  - Ingratiation: Using favors, compliments, or friendly behaviour.
  - Personal appeal: Appealing to personal friendship or loyalty.
  - Apprising: Explaining how the target will personally benefit.

Least Effective Influence Tactics

- Least effective tactics:
  - **Pressure**: Using coercive power through threats or demands.
  - **Coalitions**: Enlisting others to help influence the target.
  - **Exchange** tactic: Offering a reward or resource in return for performing a request.

Figure 13-2 Influence Tactics and Their Effectiveness

| Most Effective	Moderately Effective	Least Effective
Rational Persuasion	Ingratiation	Pressure
Consultation	Personal Appeals	Coalitions
Inspirational Appeals	Apprising	Exchange
Collaboration		

- Source: Adapted from S. Lee, S. Han, M. Cheong, S.L. Kim and S. Yun, "How Do I Get My Way? A Meta-Analytic Review of Research on Influence Tactics," *Leadership Quarterly* 28 (2017), pp. 210-28.

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Responses to Influence Tactics

- People have three possible responses to influence tactics:
  - Internalization: Both behavior and attitude shift to agreement.
  - Compliance: Behavior shifts to agreement but attitude does not.
  - Resistance: Neither behavior nor attitude shifts to agreement.

Figure 13-3 Responses to Influence Attempts

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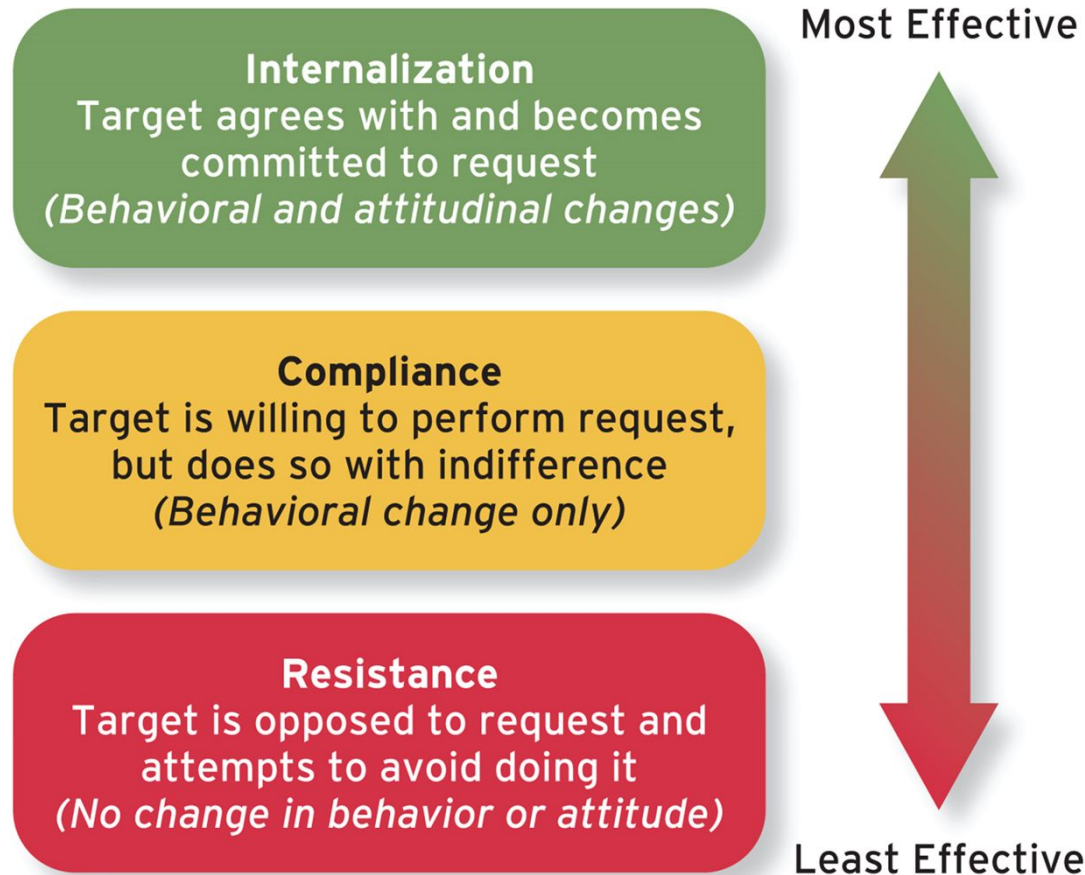
Power and Influence in Action

- Leaders can use their power and influence in a number of ways, including:
  - Navigating the political environment in the organization.
  - Resolving conflicts within the organization.

Organizational Politics

- Actions by individuals that are directed toward the goal of furthering their own self-interests

- Political skill: Understanding others at work and using that knowledge to influence others in ways that enhance personal and/or organizational objectives
  - *Networking ability* is an adeptness at identifying and developing contacts.
  - *Social astuteness* is the tendency to observe others and accurately interpret their behavior.
  - *Interpersonal influence* involves having a personal style that's flexible enough to adapt to different situations.
  - *Apparent sincerity* involves appearing to others to have high levels of honesty and genuineness.

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Political Skill Assessment

1	2	3	4	5
STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE

1. It's easy for me to picture myself in other people's shoes. _____

2. I can find similarities and talk about things easily with others. _____

3. I'm good at understanding the thoughts and feelings of others. _____

4. Most people feel relaxed around me when I want them to feel that way. _____

5. I can make people feel good after having a conversation with them. _____

6. I almost always find a way to make a connection with people I spend time around. _____

- Source: For a more detailed measure of political skill, see G.R. Ferris, D.C. Treadway, R.W. Kolodinsky, W.A. Hochwarter, C.J. Kacmar, C. Douglas, and D.D. Frink, "Development and Validation of the Political Skill Inventory," *Journal of Management* 31 (2005), pp. 126–52.

- Average Score: 23

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Negative Effects of Organizational Politics

- People's perceptions of politics are generally negative.
- Environments that are perceived as extremely political can:
  1. Lower job satisfaction.
  2. Increase strain.
  3. Lower job performance.
  4. Increase turnover intentions.
  5. Lower organizational commitment.

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Figure 13-4 The Causes and Consequences of Organizational Politics

Personal Characteristics
- Need for power
- Machiavellianism

Organizational Characteristics
- Lack of participation in decision making
- Limited or changing resources
- Ambiguity in roles
- High performance pressure
- Unclear performance evaluations

↓

Organizational Politics

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Negative Employee Reactions
- Decreased job satisfaction
- Decreased organizational commitment
- Decreased task performance
- Increased strain

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Google Case

Learning Goals:

• 13.2 What are the different types of power that leaders possess, and when can they use those types most effectively?

• 13.3 What behaviors do leaders exhibit when trying to influence others, and which of these is most effective?

• 13.4 What is organizational politics, and when is political behavior most likely to occur?

Conflict Resolution

- Conflict: when two or more individuals perceive that their goals are in opposition

- Conflict resolution is influenced by two factors:
  - How *assertive* leaders want to be in pursuing their own goals.
  - How *cooperative* they are with regard to the concerns of others.

- Five different styles of conflict resolution:
  - Competing (high assertiveness, low cooperation).
  - Avoiding (low assertiveness, low cooperation).
  - Accommodating (low assertiveness, high cooperation.
  - Collaboration (high assertiveness, high cooperation).
  - Compromise (moderate assertiveness, moderate cooperation).

Figure 13-5 Styles of Conflict Resolution
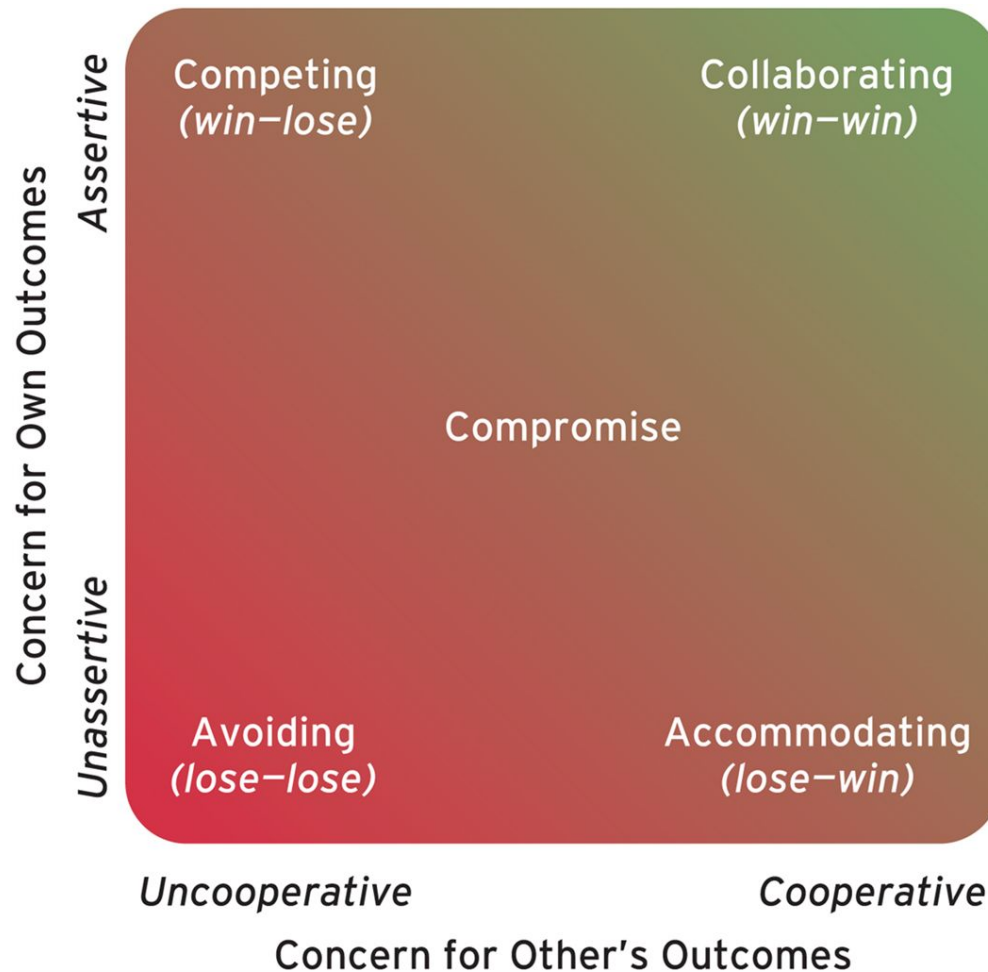
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Table 13-4 When to Use the Various Conflict Resolution Styles

Resolution Style	Use During the Following Situations:
Competing	• A quick decision is really important. • When you believe you are right, other solutions are wrong, and there is no middle ground. • When someone will try to leverage your unwillingness to compete against you.
Avoiding	• If the issue is not as important as others from a timing perspective. • When there is no acceptable alternative and you can't win. • Arriving at a solution will cause more strife than a solution is worth. • When people's emotions are running high and backing off might help come up with a resolution. • If acquiring more information would help arrive at a better solution.
Collaborating	• When both parties have legitimate concerns and compromise won't solve the problem. • When different perspectives or learning might help arrive at a better alternative. • To build commitment by working together toward a consensus decision.
Accommodating	• If you arrive at the conclusion that your choice or solution is wrong or that an alternative is better. • When you want to show that you are reasonable and/or to build up credit with others. • When others care substantially more about the outcome than you do and the ongoing relationship is important. • If you are going to lose and want to preserve your dignity.
Compromising	• When a strong approach isn't worth the damage it might cause. • If both parties are committed to their choices and they are equally powerful. • Arriving at an interim solution allows you to examine a complicated issue more fully. • When time pressure doesn't allow for a protracted resolution. • When other approaches haven't worked.

• Source: Adapted from K.W. Thomas, "Toward Multi-Dimensional Values in Teaching: The Example of Conflict Behaviors," *Academy of Management Review* (1977), pp. 484–90.

Negotiations

- A process in which two or more interdependent individuals discuss and attempt to come to an agreement about their different preferences

- Negotiation strategies include:
    - Distributive bargaining: win-lose style with fixed pie, zero-sum conditions.
    - Integrative bargaining: win-win style utilizing mutual respect and problem solving.

Negotiation Stages

Regardless of strategy used, negotiation typically goes through a series of stages:

1. Preparation: Each party determines goals and alternatives.

2. Exchanging information: Each party makes a case for its position.

3. Bargaining: Both parties must likely make concessions.

4. Closing and commitment: The agreement is formalized.

Negotiator Biases

- Perceived power relationship between the parties is an important factor.
  - When negotiators perceive themselves as having more power than the other party, they tend to demand more and concede less. (distributive approach).
  - When negotiators perceive themselves as relatively equal in power, they take a more integrative approach.

- Negotiator emotions, both positive and negative, can negatively influence negotiation success.
  - Positive emotions may lead to agreeing too quickly.
  - Negative emotions may lower judgment accuracy.

# Figure 13-6 Why Are Some Leaders More Powerful Than Others?
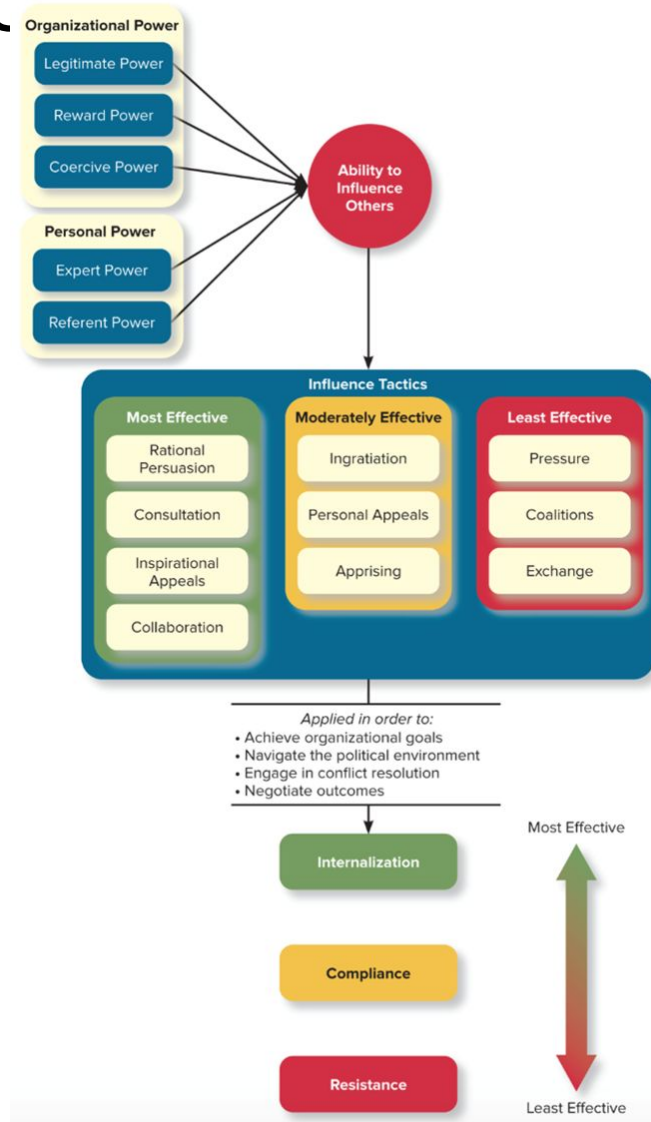
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How Important Are Power and Influence?

- Power and influence are moderately correlated with job performance and organizational commitment.

- Effective use of power and influence can
  - Create internalization.
  - Increase citizenship behaviour.
  - Decrease counterproductive behaviour.
  - Increase the motivation levels of employees.
  - Increase job satisfaction.

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Figure 13-7 Effects of Power and Influence on Performance and Commitment
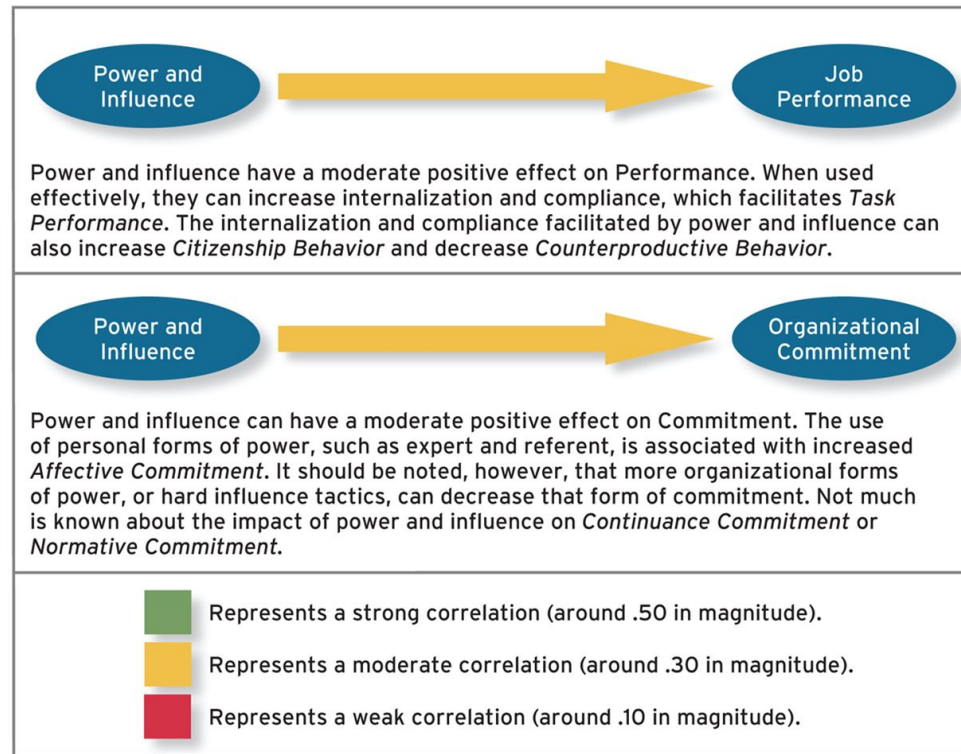
Source: R.T. Sparrowe, B.W. Soetjipto, and M.L. Kraimer, "Do Leaders' Influence Tactics Relate to Members' Helping Behavior? It Depends on the Quality of the Relationship," *Academy of Management Journal* 49 (2006), pp. 1194–1208; G. Yukl, H. Kim, and C.M. Falbe, "Antecedents of Influence Outcomes," *Journal of Applied Psychology* 81 (1996), pp. 309–17; and P.P. Carson, K.D. Carson, and C.W. Rowe, "Social Power Bases: A Meta-Analytic Examination of Interrelationships and Outcomes," *Journal of Applied Social Psycholo*gy 23 (1993), pp. 1150–69.

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Next

- **Chapter 14: Leadership: Styles and Behaviors**