

Power and Leadership: An Influence Process

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ABSTRACT

Power is the ability to influence others. One of the most influential theories of power comes from the work of French and Raven, who attempted to determine the sources of power leaders use to influence others. French and Raven identified five sources of power that can be grouped into two categories: organizational power (legitimate, reward, coercive) and personal power (expert and referent). Generally, the personal sources of power are more strongly related to employees' job satisfaction, organizational commitment, and job performance than are the organizational power sources. One source of organizational power—coercive power—is negatively related to work outcomes. However, the various sources of power should not be thought of as completely separate from each other. Sometimes leaders use the sources of power together in varying combinations depending on the situation. A new concept of power, referred to as “empowerment,” has become a major strategy for improving work outcomes.

What comes to mind when you think of the term “power”? Does it elicit positive or negative feelings? In both research and practice, power has been described as a dirty word. Consider the Enron scandal (McLean & Elkind, 2003). Certainly it is easy to think of leaders who have used power for unethical or immoral purposes (Brown, 2006; Flynn, 2011; Price, 2009). That said, people who have power, deny it; people who want power, try not to look like they are seeking it; and those who are good at acquiring it are secretive about how they got it (Robbins & Judge, 2011).

Great leaders have the following in common: they have a vision to achieve large-scale ideas that they dream of accomplishing, and they have the personal power to enact it (Gibson, Ivancevich, Donnelly, & Konopaske, 2012). For example, such business leaders as the late Steve Jobs of Apple Computer, Bill Gates of Microsoft, Mark Zuckerberg of Facebook, Jeff Bezos of Amazon.com, Phil Knight of Nike, and Sam Walton of Wal-Mart had strong visions of the future. They were able to transform their visions into reality, because they had acquired and used the necessary power to do so. Great leaders make things happen by utilizing personal power (Pfeffer, 2011).

Power is a natural process in the fabric of organizational life (Haugaard & Clegg, 2012; McClelland & Burnham, 2003). Getting things done requires power (Pfeffer, 2003). Every day, managers in public and private organizations acquire and use power to accomplish organizational goals. Given that, you need to understand how power is acquired, know how and when to use it, and be able to anticipate its probable effects. The concepts of power and leadership are closely linked. Leaders use power as a means of attaining group goals. By learning how power operates in organizations, you will be better able to use that knowledge to become a more effective leader. In its simplest terms, *power* is the ability to influence someone else (Nelson & Quick, 2012).

Sources of Power in Organizations

Where does power come from? What gives a person or group influence over others? More than 50 years ago social scientists John French and Bertrand Raven (1959) proposed five sources of power within organizations: legitimate, reward, coercive, expert, and referent. Many researchers have studied these five sources of power and searched for others (Carson & Carson, & Roe, 1993; Finkelstein, 1992; Podsakoff & Schreisheim, 1985). For the most part, French and Raven's power sources remain intact.

Legitimate Power

Legitimate power is a person's ability to influence others' behavior because of the position that person holds within the organization. Legitimate or position power, as it is sometimes called, is derived from a position of authority inside the organization, often referred to as "formal authority." That is, the organization has given to an individual occupying a particular position the right to influence—direct—certain other individuals. Those with legitimate power have the understood right to ask others to do things that are considered within the scope of their authority. When a manager asks an employee to work late to complete a project or to work on one task instead of another, he or she is exercising legitimate power. Managers can enhance their position power by formulating policies and procedures. For example, a manager might establish a requirement that all new hires must be approved by said manager, thus exercising authority over hiring (DuBrin, 2009).

Subordinates play a major role in the exercise of legitimate power. If subordinates view the use of power as legitimate, they comply (Gibson, Ivancevich, Donnelly, & Konopaske, 2012). That is, legitimate power covers a relatively narrow range of influence and, therefore, it may be inappropriate to overstep these bounds (Greenberg, 2011). For example, a boss may require his secretary to type a company document. However, it would be an abuse of power to ask that secretary to type his doctoral dissertation. The secretary may decide to complete the task, but doing so would not be within the scope of the boss's formal authority. Legitimate authority is a person's authority to make discretionary decisions as long as followers accept this discretion (Barnard, 1938; McShane & Von Glinow, 2012).

Reward Power

Reward power is a person's ability to influence others' behavior by providing them with things they want to receive. These rewards can be either financial, such as pay raises or bonuses or nonfinancial, including promotions, favorable work assignments, more responsibility, new equipment, praise, and recognition. A manager can use reward power to influence and control employees' behavior, as long as employees value the rewards. For example, if managers offer employees what they think are rewards (a promotion with more responsibility), but the employees do not value them (i.e., they are insecure or have family obligations that are more important to them than a promotion), then managers really do not have reward power.

Reward power can lead to better performance, as long as the employee sees a clear link between performance and rewards. To use reward power effectively, therefore, the manager should be explicit about the behavior being rewarded and should make clear the connection between the behavior and the reward (Nelson & Quick, 2012). Employees also have reward power over their managers through the use of 360-degree feedback systems (McShane & Von Glinow, 2011). Employee feedback affects managers' promotions and other rewards, so managers tend to behave differently toward employees after 360-degree feedback is introduced into the organization (Mabey, 2001).

Coercive Power

Coercive power is a person's ability to influence others' behavior by punishing them or by creating a perceived threat to do so. For example, employees may comply with a manager's directive because of fear or threat of punishment. Typical organizational punishments include reprimands, undesirable work assignments, withholding key information, demotion, suspension, or dismissal. Coercive power has negative side effects and should be used with caution, because it tends to result in negative feelings toward those who use it.

The availability of coercive power varies from one organization and manager to another. Most organizations now have clearly defined policies on employee treatment. Clearly defined rules and procedures that govern how coercive power is used prevent superiors from using their legitimate power (formal authority) arbitrarily and unethically. The presence of unions also can weaken coercive power considerably. One need not be in a position of authority, however, to possess coercive power. Employees also have coercive power, including the use of sarcasm and fear of rejection, to ensure that team members conform to group norms. Many organizations rely on the coercive power of team members to control employee behavior.

Expert Power

Expert power is a person's ability to influence others' behavior because of recognized knowledge, skills, or abilities. Physicians are acknowledged to have expertise, special skills, or knowledge and hence expert power. Most people follow their doctor's advice. Computer specialists, tax accountants, and economists have power because of their expertise. Experts have power even when they rank low in the organization's

hierarchy. As organizations become increasingly more technologically complex and specialized, expert power of organization members at all levels in the hierarchy becomes more important (Luthans, 2011). Some firms deliberately include lower-level staff members with expert power in top-level decision making (Nebus, 2006). Knowledge is power in today's high-tech workplaces (Kreitner & Kinicki, 2010).

Expert power is based on the extent to which followers attribute knowledge and expertise to the power holder. Experts are perceived to have expertise in well-defined functional areas but not outside them. To be granted expert power, followers must perceive the power holder to be credible, trustworthy, and relevant (Luthans, 2011). Credibility is acquired by having the appropriate credentials. For example, physicians, computer specialists, and tax accountants, who have shown tangible evidence of their expertise, will be listened to closely and thereby granted expert power. These specialists may not be granted expert power in other functional areas. The person seeking expert power also must be trustworthy, that is, have a reputation for being honest. In addition to credibility and trustworthiness, a person must have relevance. For example, if physicians gave advice on political issues, it would not be relevant, and therefore the physician would not have expert power in this area.

Referent Power

Referent power is a person's ability to influence others' behavior because they like, admire, and respect the individual. For example, suppose you are friends with your boss. One day, she asks you to take on a special project that you do not like. To anyone else, you would likely decline the request, but because of your special relationship with this individual, you may do it as a favor. In this instance, your boss has power over you because of your positive relationship.

Referent power develops out of admiration of another and a desire to be like that person. This helps to explain why celebrities are paid millions of dollars in endorsements. Marketing research shows that people such as Michael Jordan and Serena Williams have the power to influence your choice of athletic shoes and tennis products (Craig & Douglas, 2006). The same could be said of leaders in business firms who have a good reputation, attractive personal characteristics, or a certain level of charisma (Kudisch, Poteet, Dobbins, Rush, & Russell, 1995). A charismatic leader can ignite an entire organization (Tosi, Misangyi, & Fanelli, 2004).

Power, Influence, and Leadership

A great deal of power people have in organizations comes from the specific jobs or titles they hold (Greenberg, 2011). In other words, they are able to influence others because of the formal power associated with their positions. For example, there are certain powers that the president of the United States has because of the office (e.g., signing bills into law, making treaties, declaring war, etc.). These remain vested in the position and are available to anyone who holds it. When the president's term expires, they transfer to the new office-holder.

A true leader is able to influence others and modify behavior via legitimate and referent power. President Carter had a noble vision about the United States, as well as the world, but he could not coalesce groups or people to achieve his goals; the whole country suffered. Presidents Truman and Johnson used their position (or office or power) effectively and were much better able to manipulate groups and people to achieve their ends. Presidents Kennedy, Reagan, and Clinton relied on personal persuasion and were able to sway the nation as a whole, as well as Congress, business, and labor, by charisma and communication. President Roosevelt effectively used both position and personality. Presidents Bush 41 and 43 and Obama’s leadership tends to coincide with the Truman-Johnson model.

Figure 1 summarizes the relationship between power, influence, and leadership. The key to this framework is that leadership as an influence process is a function of the elements of the leader’s sources of power and the degree of acceptance with the interests and needs of the subordinates. In the figure, sources of power are divided into personal and organizational. Legitimate, reward, and coercive powers are organizational and are part of the leader’s job. Policies and procedures prescribe them. Expert and referent powers are personal and emanate from a leader’s personality.

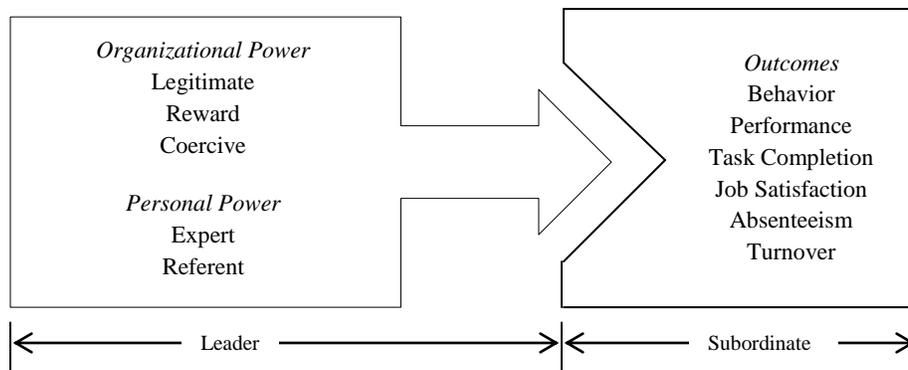


Figure 1. Sources of a leader’s power.

Research on Sources of Power

One review of several studies that examined the sources of power concluded the following (Pfeffer, 1993):

1. Legitimate power can be depended on initially, but continued reliance on it may create dissatisfaction, resistance, and frustration among employees; if legitimate power does not coincide with expert power, there may be negative effects on productivity; and dependence on legitimate power may lead to only minimum compliance while increasing resistance.
2. Reward power can directly influence the frequency of employee-performance behaviors in the short run. Prolonged use of reward power can lead to a dependent relationship in which subordinates feel manipulated and become dissatisfied.

3. Although coercive power may lead to temporary compliance by subordinates, it produces the undesirable side effects of frustration, fear, revenge, and alienation. This in turn may lead to poor performance, dissatisfaction, and turnover.
4. Expert power is closely related to a climate of trust. A leader's influence can be internalized by subordinates; that is, when a leader uses expert power, attitudinal conformity and internalized motivation on the part of subordinates will result. This in turn requires less surveillance of employees by the leader than does reward or coercive power.
5. Referent power can lead to enthusiastic and unquestioning trust, compliance, loyalty, and commitment from subordinates. Like expert power, considerably less surveillance of employees is required.

It is possible for a person to possess all of the sources of power at the same time. In fact, the most powerful leaders—like those mentioned previously—have sources of power that include all five forms. Of the three sources of organizational power (legitimate, reward, coercive) and two sources of personal power (expert, referent), which are the most effective? Generally, the personal sources of power are more strongly related to employees' job satisfaction, organizational commitment, and performance than are the organizational power sources. One source of organizational power—coercive power—is negatively related to employee satisfaction, commitment, and job performance (Carson, Carson, & Roe, 1993; Podsakoff & Schriesheim, 1985).

Furthermore, the various sources of power are interrelated. For example, the use of coercive power by managers may reduce their referent power, and the use of coercive and reward power may lead to reduced expert power (Aguinis, Nesler, Quigley, & Tedeschi, 1994). However, managers with expert power are likely to have legitimate power because people accept their expertise as a basis for their authority. In addition, the higher a person's rank in the organization, the more legitimate power that individual possesses. This, in turn, tends to be accompanied by greater opportunities to use reward and coercive power (Huber, 1981). Thus, depending on the situation, leaders may use the various sources of power together in varying combinations.

One interesting finding is the role that procedural justice may play in the sources of power used by leaders. Although the sources of power are interrelated as well as related to work outcomes, they are also mediated by employees' perceptions of social justice (Mossholder, Bennett, Kemery, & Wesolowski, 1998). What does this mean? It means that employees evaluate their perceptions concerning the fairness with which leaders use the sources of power and respond accordingly. Specifically, when employees perceive that the way leaders use the various sources of power seem fair, they respond more favorably. This research leads to a new concept of power: empowerment of organization members.

Empowerment of Organization Members

Diane Tracy, a New York management consultant, suggests a new concept of power in her bestselling book, *The Power Pyramid: How to Get Power by Giving It Away* (1990). The concept has been referred to in the literature as "empowerment." The new

advice is that you can achieve ultimate power by giving it to the people who work for you. Tracy says that power operates under the same principle as love: The more you give to others, the more you receive in return. Also, she suggests that leaders can maximize their own power and their opportunities for success by enabling the employees they supervise also to achieve their own sense of power and success (Tracy, 2001).

Today, many organizations are recommending a flattening of the pyramid. These leaders are beginning to see the need to involve organization members at all levels in making decisions and solving problems. Real power, according to Tracy, flows from the bottom up, rather than from the top down "... If you are successful in giving your people power, they will surely lift you on their shoulders to heights of power and success you never dreamed possible..." (Tracy, 1990, 2).

Diane Tracy follows up her view of empowerment with practical suggestions on how to achieve a redistribution of power. She recommends ten steps to empowerment (Tracy, 1991):

1. Tell people what their responsibilities are.
2. Give them authority equal to the responsibility assigned them.
3. Set standards of excellence.
4. Provide them with the needed training.
5. Give them knowledge and information.
6. Provide them with feedback on their performance.
7. Recognize them for their achievements.
8. Trust them.
9. Give them permission to fail.
10. Treat them with dignity and respect.

Conclusion

Power is the ability to influence others. One of the most influential theories of power comes from the work of French and Raven, who attempted to determine the sources of power leaders use to influence others. French and Raven identified five sources of power that can be grouped into two categories: organizational power (legitimate, reward, coercive) and personal power (expert and referent). Generally, the personal sources of power are more strongly related to employees' job satisfaction, organizational commitment, and job performance than are the organizational power sources. One source of organizational power—coercive power—is negatively related to work outcomes. However, the various sources of power should not be thought of as completely separate from each other. Sometimes leaders use them together in varying combinations depending on the situation. A new concept of power, referred to as "empowerment," has become a major strategy for improving work outcomes.

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