



# Organizational Power in Perspective

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*ABSTRACT: Power and influence are fundamental human phenomena that are deeply ingrained on the psyche and conscious personality of individuals. The difference between proper and improper use of power is the difference between success and failure, high and low productivity, motivation and disillusionment. This paper includes a review and analysis of the classical concepts of power in management literature, a description of power styles, and classical research findings on the optimum use of power. In it I describe power bases and cover the relationship of power with project uncertainty, organizational climate, situational leadership, productivity, and individual independence. Links are made to leadership styles, and references are made to negative uses of power. Overall, the concept of power is placed in perspective as it relates to management needs, and ideas are discussed for managing and controlling power for the benefit of organizations. The immense advantages of expert power and personal influence (reference power) are emphasized. Overwhelming evidence is presented regarding the negative nature of coercion and authoritativeness as viable management styles in well-developed organizations. Any power base is seen potentially to be double-edged: effective usage depends entirely upon organizational climate and culture. A developed organization must be designed based on increasing use of expert and reference powers that promote reflection and choice in decision making.*

**T**he cross-sectional style of power usage in modern industry does not entirely correspond to the freedom and liberty that is the essence of Western society. Adult managers do not behave maturely enough. Intelligent managers and university professors do not behave with any psychological or sagacious insight. Arbitrariness and disrespect for other professionals and nonprofessionals abounds. This points to a degeneration of managerial wisdom, which is occurring concurrently with occasional reports of static or falling productivity around the world. The world is obviously not doing a good enough job of effectively steering its ship into the future.

For example, witness how world leaders are mismanaging the energy issue and dragging their feet on an issue of vital importance.

## DEFINITION OF POWER

The study of influence and power is perhaps as old as creation itself. It was the devious snake that influenced Eve who persuaded Adam to partake of the forbidden fruit. "To a greater degree than most imagine," writes Toffler (1990), "we are the products of power."

"My intuitive idea of power," Dahl asserted in 1957, "is something like this. A has power over B to the extent that he can get B to do something that B would not otherwise do."

This basic interpretation of power has carried through the decades: power is simply defined as the ability to get things done the way one wants them to be done.

This implies that A would have the power to alter B's behavior (Zalesnik 1989) perhaps against the needs and values of B. A might have to exert a force in opposition to some or all previously existing forces and restraints on B. This can generate conflict, the consequences and extent of which vary. Yet every organization is affected by power and its associated politics. Frequently, power issues are closer to the heart of individuals than concern for the organization's business. In fact, dedication to the organization is not enough to make an organization successful; it is more important to be dedicated to a set of managerial and ethical values. The absence of a proper dedication results in poor organizational health and low productivity. It is for this reason that a closer study of organizational power is indicated.

### THE CRISIS WITHIN ORGANIZATIONS

Argyris (1964) believed that conventionally managed organizations are in line with the needs of immature people possessing poor mental health. This was a strong judgment that is as shocking today as it was then. Argyris' interpretation is in context given the autocratic designs of organizations, misuse of power, lack of organizational entrepreneurship and creativity, and insufficient triggers for searching for excellence. Very often, work is done solely for the sake of work and a salary, rather than enjoyment. Truly, this interpretation encompasses even the top Fortune 500 and ENR top 400 companies.

A crisis exists within organizations: professionals actually perceive an organizational vacuum—an asphyxiating tendency that robs them of career advancements and intellectual maturity. Only the mediocre appear to rise up the organizational ladder. It is the unpredictable temperament of peers, frequently authoritative styles, and a sense of resistance inbred into an organization's culture that adversely influences the otherwise buoyant mental health potential of individuals.

Chief executive officers and presidents who, incidentally, have one of the highest turnover rates in the nation, are frequently obsessed with a false sense of formal power, ruthlessness, and inimicality that obfuscates their judgments. Organizational personnel, on the other hand, find themselves getting trapped in vicious circles of fate, and tragically, organizational development suffers. The proper use of organizational power can potentially help to improve an organization and its leaders.

### THE NEED FOR POWER

Conflict, defeat, and success give rise to the desire and search for power. Some call this normal, but some psychoanalysts view power seeking as not conducive to psychical develop-

ment. Yet other psychoanalysts say that power can actually build the individual's personality under certain circumstances (Zalesnik 1989).

Power is sought to control and determine the future of departments and organizations, the outcomes of interpersonal conflicts, and personal security and prosperity. The more the disorganization or conflict in an organization, the more the need for power will be felt and sought. When a person seeks not merely power, but control as well, conflicts tend to increase (Kahn 1964). In addition, the hunger for power sometimes leads to the exploitation of individual fears—a highly detrimental and abusive psychology—a negative trend for positive organizational development. It also transpires that those exploited may not be aware of their exploitation. In the face of fear, though, people react differently: some acquiesce, some flee (absenteeism and turnover), and some fight back.

The desire to impact others, or the need for power, can also be responsibly sought for the purpose of doing good for the organization. All power seekers are not necessarily neurotic, despotic, or troubled people (though some clearly are). Power seekers can be effective, well adjusted, and highly motivated (McClelland 1982). It turns out that power is the ultimate resource for human control, a tool that only the mentally healthy can successfully wield. Therefore, suitable techniques and criteria have to be developed for its proper execution in organizational settings.

A sense of efficacy, achievement, and usefulness are in itself sources of power and confidence for the individual. That a person feels they are contributing, and that what they do makes a difference, is the essence of the subjective experience of power. Also, self-esteem and self-worth are a source of power in one's self. This source can be realized as an essential contributor to the urge and acquisition of all power bases. In other words, some people seek power to increase their own self-worth, which is not necessarily a motivation that is off-balance (Zalesnik 1989).

### DESIGNING POWER: POWER AS A MANAGEMENT RESOURCE

Power is a universal constant: it is needed even to run the most trivial functions of an organization or project. Thus, power is a prerequisite for success, irrespective of people's inner needs for power (Lawrence and Lorsch 1967). While organizational power can keep an organization in check and even spur it to growth and fame, it is equally effective in destroying the organization as well. The magnitude and direction of the exercise of power is a function of the intentions and skills of the wielder. Organizational power is consequently seen as a management resource, much like information and technical expertise, which are management resources in their own right. The judicious use and design of organizational power is thus significant.

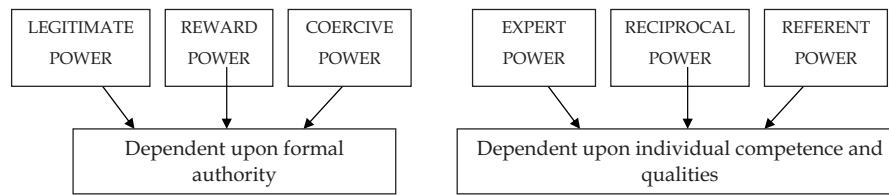


Figure 1. Power bases and their dependencies

Mintzberg (1989) brought out that effective strategy development in organizations, though dependent upon interpersonal role performance, usually comes together only in the heat of battle with politics, shrewdness, and cunningness placed in the mix. Ploys and tactics are made manifest as functions of the power network in the organization. Though an absolute proactive design of this power network is impossible, certain meaningful steps can be taken toward it through adoption of enlightened professional, psychological, and moral values.

In this paper I pursue the science of organizational power, placing it in perspective and presenting circumstantial cases for the equitable use of power. The superiority of expert and referent power, which depend on individual characteristics, is made evident. In contrast, coercive, reward, and legitimate powers, which depend heavily upon formal charters of authority and are abrasive and conditional by nature, are seen to be relatively inferior sources of power. The emphasis of this paper is on classical theories and concepts, because they form the basis of this subject. Often, in the hunt for newer and newer techniques, the original tenets and principles get lost; we forget where we came from. In this paper I aim to reinforce that yoke to original principles. The literature on organizational power is replete with the virtues of individual commitment combined with organizational power and knowledge sharing, adopting problem-solving strategies, and promoting creativity and collective organizational health. This can be effectively attained through conscious awareness of the fundamental power bases that follow.

## POWER BASES

French and Raven (1959) identified five basic sources of managerial power that have been widely accepted in literature and are taught to this day: (1) legitimate (or formal or bureaucratic power); (2) reward power; (3) coercive power; (4) expert power; and (5) referent power. The first three power bases follow from a formal charter of authority; the last two depend upon the competence and qualities of the manager (see Fig.1). To these five power bases, literature frequently mentions reciprocal power as a sixth, albeit secondary, power base for achieving organizational ends and objectives.

### Legitimate Power

Legitimate power is the formal power and authority legitimately granted to the manager under charter by the organization's peers. This power is clearly assigned by written or verbal contract, and it outlines the manager's responsibilities. Based upon this sanctioned, authorized, and exalted position of the manager, subordinates believe that the manager has the right to direct employee behavior or else employees may face retribution.

An excessive usage of formal power curbs motivation and creativity (as will be seen later), while a lack of power prolongs decision making. Thus, both lack and excess of formal power are detrimental to project success. A delicate balance must be struck that is difficult to achieve with exactness, thereby rendering conflict inevitable.

Ambiguous definitions in the formal charter can sow potential discord to cause chaos and conflicts. The manager can be challenged with regard to his authority and be relegated to a doubtful role and position (Cicero and Wilemon 1970). Only skilled and enlightened management can look at organizational power seriously enough to prepare a workable charter of authority. However, management itself has to first reach that intense level of thought, foresight, and intuitive ability.

### Reward Power

Reward power is the ability of the manager to confer or withhold rewards such as money, privileges, promotion, or status (which, in itself, carries formal power). Objective determinations of rewards, reward schemes, and other communicated courses of action help to defuse arbitrary practices in the employment of reward power.

### Coercive Power

Coercive power is predicated entirely upon fear: it makes the subordinate believe that he may be deprived of something if he does not comply. Things the manager can deprive the subordinate of are also the things mentioned under reward power: promotion, privileges, money, etc. Whatever the tactics or origins used to foment the use of coercive power, coercion is akin to the forcing style of conflict resolution (Singh and Vlatas 1991).

Whereas reward powers exhort personnel to work with the aim of receiving something (whether received or not), coercive power is used to make the subordinate work with the fear of not losing anything (whether lost or not). The logical principle of reward and coercive power bases is thus essentially identical.

External threats are another source of coercive power. For instance, a government organization can threaten a contractor to remove his company's list from the active list of pre-qualified contractors if he does not pay a bribe. But, as is obvious, this is corruption, which has consequences in the civilized world; however, it is still quite rampant in the engineering organizations of developing countries.

Reward and coercive powers coexist intrinsically in organizations, and the employees must balance their perceptions of receiving versus losing. When unchecked, oscillations between reward and coercive powers can create a "blow hot-blow cold" atmosphere that can adversely strain the balance and creativity of personnel, and place the performance and intentions of the manager in doubt. The well-known carrot-and-stick technique is illustrative of the oscillating use of reward and coercive powers. However, it is an abrasive method, and thus clearly less civilized, even though it has its place in developing organizations.

Managers resort to coercive power when legitimate power is disrupted, or when instructions are ignored or not respected. While coercive and reward powers cannot be meaningfully exercised without legitimate authority, legitimate power has no arrows to its quiver without corresponding coercive and reward potential. Coercion can be exercised by a combination of other power bases too, and can be manifest through discrimination and harassment; it can be resisted in constitutional, psychological, diplomatic, and confrontational ways.

#### Expert Power

Expert power is the manager's influence over personnel based solely upon the manager's superior knowledge, expertise, and proven ability to perform. Given a fair opportunity, personnel will choose to work with a competent person in order to enlarge their own sphere of knowledge.

Sometimes, employees will attribute the manager with expert power by virtue of his occupation of the post, even though the manager's actual expertise may be relatively low. This is often to their own disappointment, for they are misled by their perceptions. Managers are invariably in the envious position of being at the center of information transfer. They are thus allowed superior and timely administrative information that contributes to the defined meaning of expert power. Further, the manager's have expert power due to: (1) their genuine qualifications, abilities, and skills and (2) the information they hold by virtue of being where they are.

#### Referent Power

Referent power is based upon the less powerful person's identification with the manager. Shared identity, personality personification, hero worship, shared culture, or idolization are some of the sources of referent power. It is a kind of power an alert manager can use only when personnel perceive this power. The power of charisma is an intricate part of referent power.

Frequently, junior personnel epitomize senior personnel and seek to emulate their behavior. They secretly desire to be in senior positions themselves, which could be a presentiment of ambition. Whereas balanced ambition is a virtue, misplaced ambition—or an underdeveloped emotional psychology—can make junior personnel vulnerable to influence by father figures (i.e., senior managers).

Referent power can be used constructively to the benefit of the organization, has significant ramifications in the appropriate exertion of power, and has been extolled as a positive power base for modern management.

#### Reciprocal Power

Cohen and Bradford (1990) suggest that reciprocal power is highly effective and recommend it for use in organizations. This power base follows from fundamental moral, Christian, and Confucian values: do unto others as you would have others do unto you. Fulfilling people's requests, doing them a favor, rising to their real help (not just patronizing them), helping a friend in need, etc., enables the manager to solicit help from them in return. It is a useful and harmless power base until it begins to be used for surreptitious purposes.

### SITUATIONAL USE OF POWER BASES

The situational use of management styles (e.g., conflict resolution styles and leadership styles), has had extensive philosophical acceptance because it answers many of the concerns management scientists have regarding the unknowns of human nature and varying project circumstances. It is evident that different power bases have specific applications in different settings (Heilman and Hornstein 1982).

Adams and Campbell (1986) recognize authority, persuasion, and control as methods of personal influence. They link effective authority to legitimate power, effective persuasion to expert and referent power, and effective control to reward and coercive power. Considering that management basics recognize planning, organizing, direction, and control as fundamental phases of a management process, Fig. 2 illustrates the situational use of power bases commensurate to the different management phases.

It follows that all the power bases would be used in an organization at the same time, depending upon the specific phase one is in. Consequently, the manager's efficacy and perceived competence is dependent upon his abilities to properly vary his power usage with the work cycle.

MANAGEMENT PERSPECTIVES (Management phases)	INITIATE ACTION ↑	PLAN, ORGANIZE, & PERSUADE ↑	PROJECT CONTROL ↑
POWER PERSPECTIVES (Power phases)	LEGITIMATE POWER	EXPERT POWER; REFERENT POWER	REWARD POWER; COERCIVE POWER

Figure 2. Situational use of power bases

The reasons for this cycle are as follows:

- In the early management phases there is a need for orderliness as the organization or project is placed on its rails. At this stage, firm management approaches are indicated to keep the employees in line.
- As the maturity of the organization or project advances and issues shift to technical matters, more reliance is expected on expert and reference power to get the work done.
- Finally, to ensure organizational control, to keep a project on track, and to achieve desired quality, the manager needs to exercise reward and coercive powers to ensure that slack does not develop.

It hurts more to use formal and coercive powers through all phases than to use expert and referent power through all phases.

As power bases are interrelated, it would be incumbent on senior managers to communicate clearly the roles and expectations of personnel during various management phases. This is to avoid any clash between variable management styles during the early and late phases of a project.

### FINDINGS WITH REGARD TO POWER BASES

Various findings were discovered in classical literature with regard to power bases, as described below in this section:

1. Because a manager must interact not only with subordinates but with upper management, interface personnel, functional management, and outside forces, power is exerted and exchanged between all those groups. It has been found that expert and referent powers have substantial influence on all interactive groups, that formal power influences subordinates only, and that there is little or no influence of reward and coercive (penalty) powers on outside groups in developed organizations. There is no tangible influence of coercive power on upper management (Heilman and Hornstein 1982; Adams and Campbell 1986). Union power, however, is a legitimate means of exerting influence on upper management.

2. The effect of expert and referent power on upper management indicates that an upward flow of power exists in the organization (Yukl and Taber 1983). When lower-level employees possess specialized technical expertise or access to vital information, they can influence senior managers in decision making. It is conceivable that senior managers can find this threatening to their status. Thus, it often has happened that a sharp and qualified employee is terminated on a flimsy excuse. Moreover, the role of an efficacious leader is to be a good follower as well (Schlesinger 1987). This insightful observation completely puts on the back burner any encouragement of coercion power for general use.

The real threat of whistle-blowing is a conceivable use of coercive power by lower levels against higher levels. If the threat to blow the whistle is given for exercising power, the existing power relation can seldom be expected to continue unaltered.

3. Warren (1978), in a school study of staff and principal, found that referent power stood out as the most significant of all for the principal to acquire response and support from staff. French (1964) discovered that attraction, interpreted as referent power, was an important source of influence. Thus referent power should be granted a respectful status. French also found that the use of coercive power brought down the good effects of referent power.
4. Kirchoff and Adams (1985) reported that depending upon the organizational culture, coercive power did not necessarily contribute to a project manager's organizational position. The use of forcing methods, or coercion, was in fact counter-productive (Phillips and Cheston 1979; Burke 1969). Consequently, as the principle of reward power is identical to that of coercive power, even reward power is not a satisfactory power base. These abrasive power bases establish harsh preconditions that cannot be morally negotiated.
5. Finally, Heilman and Hornstein (1982) found that expert and referent powers—relying on persuasion, intelligence, reasonableness, charisma, and respect

Group ranking (in terms of efficacy)	Influence bases	Corresponding power base
1	Work challenge Expertise Authority	Expert power Expert power Legitimate power
2	Influence over salary Fund allocation power Future work assignment	Reward/legitimate power Legitimate power Expert power
3	Influence over promotions Friendship Penalty power	Reward/legitimate power Referent power Coercive/legitimate power

Figure 3. Relationship between influence bases and power bases (extrapolated from Gemmill and Thamhain 1973)

from love—utilize logical principles quite contrary to reward and coercion. Since they found reward and coercion powers to be abrasive, they recommended power by gentle persuasion in organizational settings. In other words, if there were a default setting for a power style, it would be the expert and referent styles.

### SKILLS FOR EXERTING POWER

Power bases are acquired by both professional and personal skills. Researching project management in multiple industrial sectors and state government environments, Hodgetts (1968) found that negotiation skills, personality, persuasive ability, competence, and reciprocal favors were significant skills when managers sought ways of increasing their authority. The adept use of these skills helped offset the inevitable authority gap or ambiguity in the manager's role.

A stunning finding by Hodgetts (1968) in construction industries was that project managers tend to take their powers for granted, and do not find the need to prove themselves. This finding implied obvious arrogance on their part as well as disrespect for other players on the team, not to mention the insult to their profession. Such a finding partially explains falling industrial productivity when it does occur.

The proper development and use of power base skills require clear thinking on behalf of the manager, systematic arrangement of facts, and proper rendering. Logic, rationale, and effectiveness should be considered essential when using these skills to convince others. The main question then is how to recognize logic, rationale and effectiveness? For this, engineer-managers are best advised to take study courses in philosophy, the liberal arts, and theology. Indeed, the 2008 Body of Civil Engineering Knowledge highlights the fact that civil engineers need social, communication, and humanities skills (ASCE 2008).

### INFLUENCE BASES

Pioneering work was done by Herzberg (1968) in showing the relevance of "satisficing" factors in motivating people. The most important of these factors were: achievement, recognition, the work itself, responsibility, and professional advancement.

Working on the same principle, Gemmill and Thamhain (1973) found that work challenge, expertise, authority levels, and salary adjustments, in that rank order, were important influence bases for project managers to gain support, hence power, on a project.

This finding supports the use of motivational systems because work-challenge is motivation-based; without encouraging creativity, ambitious objectives cannot be easily achieved. Evidence reveals that the presence of interesting work and other "satisficing" factors spur productivity. Organizations, however, fail to seriously implement any of the many motivational systems: usually they link motivation only with rewards, which leaves organizations deprived and mentally deficient. Motivation is good for the system, the project, for power, and for longevity too because an active mental state keeps the mind and body going longer.

Gemmill and Thamhain (1973) identified nine influence bases which are linked to power bases as established in Fig. 3. A link between Herzberg's "satisficers" and power bases can be similarly attempted, since Gemmill and Thamhain's influence bases closely resemble Herzberg's "satisficers."

Group 1 of Fig. 3 is the most influential group, Group 2 less, and Group 3 least. Penalty power, equivalent to the forcing style of conflict resolution, was again found to be an ineffective influence base just as the forcing style itself is an ineffective conflict resolution style (Singh and Vlatas 1991). If the aim of the organization is to get high productivity, the organization needs to create a happy worker, which penalty

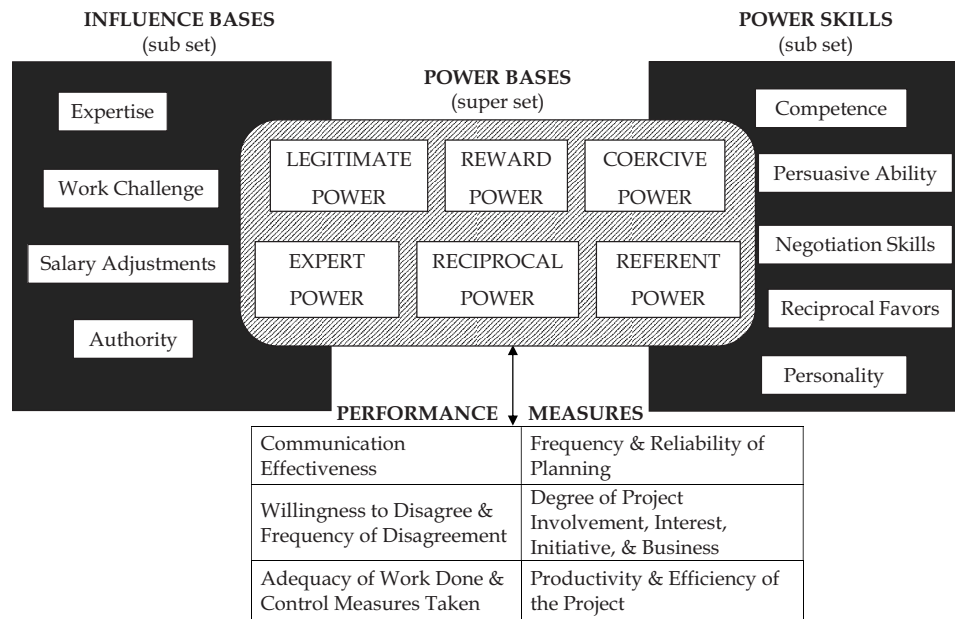


Figure 4. Relation between power bases, influence bases, power skills, and performance measures

power just doesn't accomplish. It is being increasingly recognized that the ability of project managers to handle the above influence bases are critical determinants of productive and successful project performance (Baker and Wilemon 1974).

In another study, Thamhain and Gemmill (1974) reinforced the now accepted belief that the use of authority for influence was seldom effective, because it produced poor managerial support, communication, and motivation scores. Use of reward and penalty was not appreciated by those who responded to the study.

Use of arbitrary rewards—money, promotion, and coercive power—(i.e., threats, impunity, strong-arm tactics, discrimination) are akin to the manipulation of the psyche, which is a clinically and sometimes legally abusive form of management. The use of expertise and work challenge influence (i.e., expert power) provide the maximum benefit to the maximum number of workers.

### PERFORMANCE MEASURES FOR POWER BASES

How does one confirm the efficacy of power bases? This can be done through measuring the adequacy of planning resources such as those proposed by Burke (1970) and Gemmill and Thamhain (1973). The effects of influence bases, power skills, and power bases can be measured for their impact on planning, management, and behavioral horizons that govern the sum measure of organizational climate, by factors such as:

- Communication systems/Effectiveness of communication;
- Willingness to disagree and frequency of disagreement;
- Degree of involvement, interest, and initiative;
- Frequency and reliability of planning;
- Adequacy of work done and control measures taken; and
- Productivity and efficiency of the project.

The logical network of power, influence, and motivation to overall performance should be easily comprehensible, and is illustrated in Fig. 4. Any power base on a project is ideally meant for facilitating project performance, and if that is not done, the power base is not working. If, for instance, communication is not effective or an organizational person's degree of involvement is curtailed, the power base applied is not successful.

The power of the manager, which can enhance or lessen the quality of an organization's culture, can be measured by the degree of control over budgets and schedules, and accountability for profit and loss. Finally, the manager's long-term acceptance by personnel is one of the final measures of the effective use of power.

### AUTHORITY AND INDEPENDENCE

Authority and independence are mutually related. For instance, a child accepts a high degree of authority because he or she is completely dependent. Such authority is acceptable when used in a nurturing manner. At the other extreme, of complete independence, authority was shown by McGregor (1985) to be meaningless. Flaunting authority on organizational persons when they are educated, skilled, and indepen-

dent will have a boomerang effect on the organization. Therefore, if there is a mismatch between the optimum use of authority and the prevailing dependence levels, then conflict, chaos, or mutiny will occur.

McGregor affirmed that U.S. citizens displayed tendencies ranging from partial dependence to considerable independence. Hoffstede (1983) determined that U.S. citizens are among the most independent-minded people in the world, with Canadians not far behind. Hence, it is concluded that authoritarian styles, exemplified by legitimate and coercion power, should be least used in North American organizations. Yet, general observations support the belief that authoritarian and arbitrary practices are prevalent, often practiced in academia where they should be least applied, which explains to an extent the predominance of unresolvable conflicts, general ambivalence, and lowered productivity in industry, academia, and government.

### SITUATIONAL LEADERSHIP RELATED TO ORGANIZATIONAL CLIMATE

Likert (1967), one of the earlier pioneers of management science, isolated two distinct leadership styles: job-centered and employee-centered. The job-centered leader not only exercised coercion, reward, and legitimate powers as a routine, but depended on those powers for his sustenance. The employee-centered leader, however, created a supportive work environment for career advancement and achievement, and exercised considerable expert power.

Using identical leadership criteria, Thamhain and Wilemon (1977) conducted a study to compare the two leadership styles that they called leader-centered and team-centered, which equate to Likert's job-centered and employee-centered styles, respectively. They found that poor organizational climates used leader-centered approaches, while good organizational climates used team-centered approaches. This was an important finding that has worldwide ramifications, especially in how underdeveloped countries are governed. (Refer to Appendix for how to measure organizational climate; these relate partially to Gemmil and Thamhain's (1973) behavioral horizons mentioned earlier.)

Fiedler (1972) and Fiedler and Chemers (1974) had suggested that adequate task structure (i.e., goals, clarity, focus) and position power (i.e., control over organizational variables) were important parameters in the effectiveness of a leader. Thus, only those power styles should be adopted that enhance task structures, which relate, evidently, to organizational climate; these styles turn out to be the expert and referent power styles.

### POWER AND UNCERTAINTY

Cable and Adams (1986) recommend that complex projects having high uncertainty should have project-oriented organizational structures where the project manager's formal

charter of authority is high. In addition, Hodgett's (1968) study revealed that firms having large projects, endowed with greater task complexity and high uncertainty, actually supported greater use of formal authority so as to better structure the uncertainty inherent in large projects. This actually matches Blanchard's (1985) leadership recommendations, which show that for new employees, when the uncertainty is high, closer supervision is desired than when they later become experienced and independent.

Ideally, a manager can acquire power on the job if he shows that he is capable of coping with uncertainty. A sense of readiness and a plan to support it enable the manager or unit to acquire greater power. Uncertainty by itself does not create power (Gibson et al. 1985). The better the information structure, the lesser the uncertainty (August Smith, personnel communication, 1986). Consequently, the better the manager can create a responsive information system to conquer uncertainty, the greater the power he can enjoy through information. Such a responsive information system can best be created through participative styles of management, applied by expert power, since this style assists in open communications that further helps employees to buy-in to the system.

### THE NEGATIVE USE OF POWER

By definition, negative power does the following, which are measures of the negative and unconscionable use of power:

- Curbs creativity;
- Stalls personality growth;
- Limits ethical practice;
- Prevents career advancement;
- Manipulates the psyche;
- Bears false witness;
- Overtly or covertly exhibits bias; and
- Acts arbitrarily and capriciously from a position of power.

The disbursement of negative power makes use of all or any of the influence bases, power skills, and power bases described earlier. As such, though power is a neutral management resource, it is a dyadic creature, having two faces. Even expert power—the most regal of power bases—can be used negatively, devastatingly, and iniquitously if in the hands of an iniquitous manager. Generally, engineering experts insufficiently developed in human skills, philosophical vision, or intercultural interaction, are unable to handle power properly.

A powerful manager can play favorites. He/she can offer pretended rewards, while persuading the worker to perform tasks by exercising referent power. This actually illustrates lack of integrity. Such behavior, however, is bound to erode the very pillars of the organization sooner or later. Condescension and paternalism can be misused through referent



power. Intimidation can be effected through referent shock.

Power projection and perception are based on attitudinal components such as affect, cognition, and behavior. The use of coercion power manifests itself upon individuals through stress symptoms such as nervousness, irritability, insomnia, and loss of concentration. Needless to say, such induced behavior is detrimental not only to the individual's performance, but to organizational performance as well.

In the analysis of negative power styles, McClelland and Burnham (1976) designated three types of managers for their characteristic usage of power: (1) institutional managers—who use power for organizational purposes, (2) personal power managers—who use power for personal gain, and (3) affiliative managers—who are only concerned with being liked.

Institutional managers were consistently scored higher by employees on dependent performance variables such as team spirit, organizational clarity, or sense of responsibility. Affiliative management can depict vanity, narcissism, and weakness that is associated less with the organization and more with oneself, and is thereby an ineffective use of power. The personal power manager can clearly be neurotic and depraved. The institutional management style is the only power style that does not use power negatively.

## POWER: RELATION TO PRODUCTIVITY AND PERFORMANCE

Investigations by Likert (1967) showed that participative management styles, advanced by a positive use of power and a sharing of power, were conducive to higher productivity in industries both in the Western world and behind the erstwhile iron curtain. This was a major finding at the time, because it proved that the production performance in Communist countries was lower than that in the free, Western countries: the Communist countries used coercion power to get work done, while the Western countries used better styles.

Likert's findings further supported the contentions that the following parameters were enhanced by participative management styles, which rely heavily on expert and referent powers, and were reduced by authoritative management styles, which rely heavily on legitimate and coercion power:

- motivation;
- communication;
- interaction;
- decision making;
- goal setting; and
- control and performance.

Conversely, productive factories leaned towards consultative and participative styles, while poorly producing factories leaned towards authoritarian styles. Because performance

concerns everybody in an organization, Blake and Mouton (1964) realized that the two pillars of an organization were production and people. Where the commitment is high, competence is seen to exist. McGregor (1985) discovered that performance was approximately linearly proportional to commitment. High dedication and increased commitment can only be enhanced through the effective use of expert power and work challenge, coupled with a healthy projection of reference (personality) power, administered with a balanced amount of legitimate power. Respecting an individual and fulfilling his/her needs, as propounded in Maslow's Need Theory, would lead to the self-actualization necessary for commitment and performance. However, it may be noted that commitment to the organization is only useful if the organization possesses missionary objectives and values (Mintzberg 1989). If the organization is already corrupt, any further commitment to corruption only adds fuel to the fire that becomes extremely difficult to extinguish later.

In research environments specifically, Likert (1961) illustrated that domineering attitudes of research chiefs in choosing the research problem or adopting specific investigative methods hindered performance. On the other hand, performance was higher where the researcher was able to choose his/her own problem and adopt his/her own investigative techniques. This clearly indicates that coercion should not be used in research settings either. However, it should be mentioned that liberty for the researcher and corresponding absence of coercion, should not be accompanied by a distancing of the chief from the researcher. To the contrary, adequate contact and healthy communication were good for performance. Where the contact was inadequate, performance was also low.

Likert (1961) also confirmed that departmental productivity was directly dependent on the degree of favorable attitude of the leader to the working personnel. Obviously, expert and referent powers lead to more favorable attitudes than do coercive and reward powers.

Between expert and referent power, expert power is generally superior. This conclusion is derived based upon the two-factor leadership theory proposed by Fleishman (1953), an early pioneer of leadership affects. His two factors were the "Initiating Structure" and "Consideration." The Initiating Structure involves leader behavior that stresses planning and communication, related here to expert power; Consideration involves leader behavior that accentuates friendship, trust, warmth, and respect, related here to referent power. Fleishman demonstrated that the Initiating Structure had higher proficiency (i.e., performance) ratings than Consideration.

Another relationship between productivity and power has to do with the fake or illegitimate use of power. Illegitimate power is the "ascribing to oneself more than one has in terms of authority," or "self-appointment." French (1964) demon-

strated that the use of illegitimate power caused effects opposite to those intended (such as a decrease in productivity). Thus, productive managers should steer away from false projections or from creating power illusions. An aura of hype is usually harmful.

It can be concluded that all studies on the use of power relationships irrevocably confirm that Theory Y principles for a power base or management style are vastly more effective than the abusive Theory X. It is through expertise and teamwork, not through coercion, that organizational development and technological change can remain productive and competitive in a fast-changing world. It is imperative that abrasive power styles be avoided, in general. Only participative power-sharing styles, engendered through expertise and human relational skills, which encourage reflection and choice, yield win-win outcomes. Positive uses of power that create a healthy organizational climate enhance productivity and financial profits.

## CONCLUSIONS AND INTERPRETATIONS

We have overwhelming evidence that authoritative, coercive, or forcing power styles have counter-effects on long-term organizational health. Research has shown that authoritative power bases result in poor performance and productivity both in industrial organizations and research settings. On the other hand, expert power and referent power are effective power bases with the following significant characteristics:

- They provide support to the manager;
- They engender positive organizational climates;
- Expert power promotes career growth; referent power promotes personality growth; and
- The use of work challenge has been reinforced as the most important influence base that can be nurtured through expert power.

These are the positive uses of power. Coercion power on the other hand has the following negative characteristics:

- Causes dissonance in the psychic balance;
- Promotes hatred, self-pity, and/or rebellion;
- Is abusive and unconcerned about people; and
- Ends in leading to the downfall of the organization if used long enough.

Excessive disciplining also has overtones of coercion and so should be cautioned against in modern industrial organizations. W. Edwards Deming (1986), in fact, spoke in favor of overcoming fear in organizations.

Given the vast complexities of human nature, and multiple phases in a management project cycle, the five basic power bases—expert, referent, reward, coercive, and legitimate—should ideally be applied commensurate to the phases of the work cycle. Specifically, the exercise of control

necessitates formal power with least resort to coercive power, since educated personnel can be trained to exercise normal control functions through their own intellect and insight.

Where the degree of personnel independence is high, and this is so in organizations staffed extensively by educated people holding university degrees, the use of coercion and authority induce negative results. Investigations have shown that U.S. residents are very high on the scale of independence.

Information is power, while uncertainty is the opposite of information. Being able to cope with uncertainty means having a good information system, which is highly correlated to having a sound power base.

From the presentations in this paper, it is concluded that the following occur concomitantly:

- participative power styles;
- power sharing;
- healthy organizational climate;
- high productivity;
- creativity and innovation;
- motivation and commitment;
- problem-solving, conflict-resolution strategies; and
- higher long-term profits.

These independent parameters cannot be segregated. The downfall of any one parameter is the downfall of the others, and the improvement in any one parameter is an improvement on the others. The organization is a breathing, living, dynamic, symbiotic entity.

Many financially successful companies continue to have poor organizational climates owing to autocratic and traditional power styles. These companies would perform even better, and could successfully adapt to the challenging future, if they shifted gear to expert power, referent power, and power-sharing styles.

Finally, it is of the utmost importance that companies consciously address the following:

- objective design of organizational power;
- creation of a formal charter of power;
- effective communication of this charter; and
- ambiguity avoidance.

Eventually, the design of organizational power is a decision-making exercise for which the senior managers have to place organizational interests—mainly organizational climate, organizational culture, and organizational health—above personal interests. It is only when the senior managers lead well that personnel will follow enthusiastically.

## APPENDIX. ORGANIZATIONAL CLIMATE AND POWER

Organizational climate is probably the most important parameter in the success and development of an organization because it relates so closely to the mental health of personnel. How do different power orientations impact organizational climates? And how do different climates affect performance? Which power base promotes healthy climates?

Without drive, determination, and motivation of top management, an organization can surely not develop. However, what is of greater impact and value is the quality, direction, and nature of such moving forces. Organizational climate relates not only to the happiness of workers and the policies in force, but to the way in which management philosophies are exercised. Consequently the following fundamental factors are considered in the evaluation of organizational climate (Burke 1970):

- the quality of communication;
- the use of modern strategy and planning approaches;
- the inclination towards knowledge;
- wisdom and intelligence;
- the integrated management style;
- appreciation of career growth; and
- continuity of work.

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