Organizational Behavior and Organizational Change
Leadership & Power

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Lehigh University
Topics This Presentation

- What Is Leadership?
  - Leadership Traits
  - Grid Management Styles
  - Path-Goal Theory of Leadership
- Trust: The Foundation of Leadership
  - Dimensions of Trust
  - Three Types of Trust
  - Basic Principles of Trust
- Charismatic approaches to leadership
  - Key Characteristics of Charismatic Leaders
  - Beyond Charismatic Leadership
- Contemporary Leadership Roles
  - Mentoring
  - Ethical Leadership
  - Facilitating Leader
Topics This Presentation

- Personal Power
  - A Definition of Power
  - Contrasting Leadership and Power
- Bases of Power:
  - Formal Power
  - Information Power
  - Personal Power
  - Dependency Power
- Power Tactics
  - Power in Groups
  - Power & Politics
  - Defensive Behaviors
    - Blame Culture in an Organization

“Organizational behavior” Eleventh Edition
By Steve Robbins
Reference Book
What Is Leadership?

**Leadership**

The ability to influence a group toward the achievement of goals.

**Management**

Use of authority inherent in designated formal rank to obtain compliance from organizational members.
Leadership Traits: USA View

Leadership Traits:

- Ambition and energy
- The desire to lead
- Honest and integrity
- Self-confidence
- Intelligence
- High self-monitoring
- Job-relevant knowledge

Begin writing down the Chinese view
Behavioral Theories

Behavioral Theories of Leadership

Theories proposing that specific behaviors differentiate leaders from non-leaders.

• **Trait theory:**
  *Leaders are born, not made.*

• **Behavioral theory:**
  *Leadership traits can be taught.*

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<thead>
<tr>
<th>My View</th>
<th>Your View</th>
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<tr>
<td>Disagree</td>
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Grid Management Styles

Employee-Oriented Leader

Emphasizing interpersonal relations; taking a personal interest in the needs of employees and accepting individual differences among members.

Production-Oriented Leader

One who emphasizes technical or task aspects of the job.
The Managerial Grid (Blake and Mouton)

Where are You?

A nine-by-nine matrix outlining 81 different leadership styles.
Development-Oriented Leader

One who values experimentation, seeking new ideas, and generating and implementing change.

Researchers in Finland and Sweden question whether there are only two dimensions (production-orientation and employee-orientation) that capture the essence of leadership behavior. Their premise is that in a changing world, effective leaders would exhibit development-oriented behavior.
Path-Goal Theory

The theory that it is the leader’s job to assist followers in attaining their goals and to provide them the necessary direction and/or support to ensure that their goals are compatible with the overall objectives of the group or organization.
Trust: The Foundation of Leadership

Trust

A *positive expectation* that another will not—through words, actions, or decisions—act *opportunistically*.

Trust is a history-dependent process (familiarity) based on relevant but limited samples of experience (risk).
Dimensions of Trust

- **Integrity**
  - honesty and truthfulness.
- **Competence**
  - technical and interpersonal knowledge and skills.
- **Consistency**
  - reliability, predictability, and good judgment in handling situations.
- **Loyalty**
  - the willingness to protect and save face for another person.
- **Openness**
  - reliance on the person to give you the full truth.
Trust and Leadership

Leadership

TRUST and INTEGRITY
Employees’ Trust in Their CEOs

Employees who believe in senior management:

- 1991: 31%
- 1993: 32%
- 1995: 33%
- 1997: 35%
- 1999: 40%
- 2001: 43%
- 2003: 43%


EXHIBIT 12–2
Page 358
Three Types of Trust

Deterrence-based Trust

Trust based on fear of reprisal if the trust is violated.

Knowledge-based Trust

Trust based on behavioral predictability that comes from a history of interaction.

Identification-based Trust

Trust based on a mutual understanding of each other’s intentions and appreciation of the other’s wants and desires.
Basic Principles of Trust

- Mistrust drives out trust.
- Trust begets trust.
- Growth often masks mistrust.
- Trust increases cohesion.
- Mistrusting groups self-destruct.
- Mistrust generally reduces productivity.
What are the important leadership traits from your point of view? Please add any traits you feel are missing!

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<thead>
<tr>
<th>USA View</th>
<th>Leadership Traits</th>
<th>Chinese View</th>
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<td>Willing to Sacrifice</td>
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Charismatic Approaches to Leadership

Charismatic Leadership Theory

Followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors.

Charismatics Influence Followers By:
1. Articulating the vision
2. Setting high performance expectations
3. Conveying a new set of values
4. Making personal sacrifices
Key Characteristics of Charismatic Leaders

1. **Vision and articulation.** Has a vision—expressed as an idealized goal—that proposes a future better than the status quo; and is able to clarify the importance of the vision in terms that are understandable to others.

2. **Personal risk.** Willing to take on high personal risk, incur high costs and engage in self-sacrifice to achieve the vision.

3. **Environmental sensitivity.** Able to make realistic assessments of the environmental constraints and resources needed to bring about change.

4. **Sensitivity to follower needs.** Perceptive of others’ abilities and responsive to their needs and feelings.

5. **Unconventional behavior.** Engages in behaviors that are perceived as novel and counter to norms.

Beyond Charismatic Leadership

- Level 5 Leaders
  - Possess a fifth dimension—a paradoxical blend of personal humility and professional will—in addition to the four basic leadership qualities of individual capability, team skills, managerial competence, and the ability to stimulate others to high performance.
  - Channel their ego needs away from themselves and into the goal of building a great company.
Transactional and Transformational Leadership

Transactional Leaders
Leaders who guide or motivate their followers in the direction of established goals by clarifying role and task requirements.

Transformational Leaders
Leaders who provide individualized consideration and intellectual stimulation, and who possess charisma.

- Contingent Reward
- Management by Exception (active)
- Management by Exception (passive)
- Laissez-Faire

- Charisma
- Inspiration
- Intellectual Stimulation
- Individual Consideration
Characteristics of Transactional Leaders

**Contingent Reward:** Contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments.

**Management by Exception (active):** Watches and searches for deviations from rules and standards, takes corrective action.

**Management by Exception (passive):** Intervenes only if standards are not met.

**Laissez-Faire:** Abdicates responsibilities, avoids making decisions.

Characteristics of Transformational Leaders

**Charisma:** Provides vision and sense of mission, instills pride, gains respect and trust.

**Inspiration:** Communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways.

**Intellectual Stimulation:** Promotes intelligence, rationality, and careful problem solving.

**Individualized Consideration:** Gives personal attention, treats each employee individually, coaches, advises.
Elements of Emotional Intelligence:
• Self-awareness
• Self-management
• Self-motivation
• Empathy
• Social skills

Is the connection obvious?
Contemporary Leadership Roles: Providing Team Leadership

Team Leadership Roles:
• Act as liaisons with external constituencies.
• Serve as troubleshooters.
• Managing conflict.
• Coaching to improve team member performance

Lee Iacocca
Contemporary Leadership Roles: Mentoring

Mentor
A senior employee who sponsors and supports a less-experienced employee (a protégé).

Mentoring Activities:
• Present ideas clearly
• Listen well
• Empathize
• Share experiences
• Act as role model
• Share contacts
• Provide political guidance
Contemporary Leadership Roles: Facilitating Leader

Facilitating Leader

The most successful leaders strive to make their subordinates successful in leadership roles.

Facilitating Leader:
- Set clear goals and objectives
- Provide resources
- Ensure the subordinates receive credit
- Mentor, Advise, and Guide
- Applaud the success of their subordinates

Peter Likins Presents awards
Ethical Leadership

Actions:

• Work to positively change the attitudes and behaviors of employees.
• Engage in socially constructive behaviors.
• Do not abuse power or use improper means to attain goals.
### Personal Exercise

1. Rate yourself on the grid and explain your rating.
2. Fill out the two columns on the left and add any rows you need.

<table>
<thead>
<tr>
<th>Leadership Traits</th>
<th>Check Your Characteristics</th>
<th>Areas you wish to improve</th>
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#### Grid:

- High Concern for People:
  - 9,9
- High Concern for Production:
  - 5,5
- Low Concern for People:
  - 1,1
- Low Concern for Production:
  - 9,1

#### Table:

- **Leadership Traits**
  - Ambition and energy
  - The desire to lead
  - Honest and integrity
  - Self-confidence
  - Intelligence
  - High self-monitoring
  - Job-relevant knowledge
  - Development-Oriented
  - Path-Goal
  - Trust Building
  - Charismatic
  - Visionary
  - Willing to Sacrifice
3. For any areas for improvement you identified explain what you want to achieve, and how you might accomplish the improvement.

4. What else did you learn about leadership that you value? How will you act on what you have learned?
Need to change organization too

Leadership & Power

organization
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I Am Proud to Be a Member of the Chinese Nation and to Consider Myself a Citizen of the World. As a Son of the Chinese People, I Dearly Love My Country and My Compatriots.
---Deng Xiaoping

http://www.cbw.com/asm/xpdeng/quicksurvey.html

"Man of the Year" for 1985.
A Definition of Power

Power

The capacity that A has to influence the behavior of B so that B acts in accordance with A’s wishes.

Dependency

B’s relationship to A when A possesses something that B requires.
## Contrasting Leadership and Power

<table>
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<th>Leadership</th>
<th>Power</th>
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<tbody>
<tr>
<td>Focuses on goal achievement.</td>
<td>Used as a means for achieving goals.</td>
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<tr>
<td>Requires goal compatibility with followers.</td>
<td>Requires follower dependency.</td>
</tr>
<tr>
<td>Focuses influence downward.</td>
<td>Used to gain lateral and upward influence.</td>
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</tbody>
</table>

### Research Focus

| Leadership styles and relationships with followers | Power tactics for gaining compliance |

© 2006
Bases of Power: Formal Power

Formal Power

Is established by an individual’s position in an organization; conveys the ability to coerce or reward, from formal authority, or from control of information.

Coercive Power

A power base dependent on fear.

Reward Power

Compliance achieved based on the ability to distribute rewards that others view as valuable
Bases of Power: Formal Power

Legitimate Power

The power a person receives as a result of his or her position in the formal hierarchy of an organization.

Information Power

Power that comes from access to and control over information.
Bases of Power: Personal Power

Expert Power

Influence based on special skills or knowledge.

Referent Power

Influence based on possession by an individual of desirable resources or personal traits.

Charismatic Power

An extension of referent power stemming from an individual’s personality and interpersonal style.
“I was just going to say ‘Well, I don’t make the rules,’
But, of course, I do make the rules.”

Source: Drawing by Leo Cullum in The New Yorker, copyright ©1986 The New Yorker Magazine.
Dependency: The Key To Power

The General Dependency Postulate

- The greater B’s dependency on A, the greater the power A has over B.
- Possession/control of scarce organizational resources that others need makes a manager powerful.
- Access to optional resources (e.g., multiple suppliers) reduces the resource holder’s power.

What Creates Dependency

- **Importance** of the resource to the organization
- **Scarcity** of the resource
- **Non-substitutability** of the resource
Power Tactics

Ways in which individuals translate power bases into specific actions.

Influence Tactics:
- Legitimacy
- Rational persuasion
- Inspirational appeals
- Consultation
- Exchange
- Personal appeals
- Ingratiation
- Pressure
- Coalitions
Power Tactics

1. Legitimacy.
   - Relying on one’s authority position;
     » request is in accord with organizational policies or rules.

2. Rational persuasion.
   - Logical arguments and factual evidence;
     » request is reasonable.

3. Inspirational appeals.
   - Enveloping emotional commitment;
     » appeal to values, needs, hopes, and aspirations.

4. Consultation.
   - Increase motivation and support;
     » involve people in deciding how the plan will be implemented.
Power Tactics

5. **Exchange.**
   - Reward with benefits or favors in exchange for following a request.

6. **Personal appeals.**
   - Ask for compliance based on friendship or loyalty

7. **Ingratiation.**
   - Use flattery, praise, or friendship prior to making request

8. **Pressure.**
   - Use warnings, demands, and threats.

9. **Coalitions.**
   - Enlist other people to persuade others.
Power in Groups: Coalitions

Coalitions

Clusters of individuals who temporarily come together to achieve a specific purpose.

- Seek to maximize their size to attain influence.
- Seek a broad and diverse constituency for support of their objectives.
- Occur more frequently in organizations with high task and resource interdependencies.
- Occur more frequently if tasks are standardized and routine.
# Politics Is in the Eye of the Beholder

<table>
<thead>
<tr>
<th></th>
<th>“Political” Label</th>
<th>vs.</th>
<th>“Effective Management” Label</th>
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<tbody>
<tr>
<td>1</td>
<td>Blaming others</td>
<td>vs.</td>
<td>Fixing responsibility</td>
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<tr>
<td>2</td>
<td>“Kissing up”</td>
<td>vs.</td>
<td>Developing working relationships</td>
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<tr>
<td>3</td>
<td>Apple polishing</td>
<td>vs.</td>
<td>Demonstrating loyalty</td>
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<tr>
<td>4</td>
<td>Passing the buck</td>
<td>vs.</td>
<td>Delegating authority</td>
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<td>5</td>
<td>Covering your rear</td>
<td>vs.</td>
<td>Documenting decisions</td>
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<tr>
<td>6</td>
<td>Creating conflict</td>
<td>vs.</td>
<td>Encouraging change and innovation</td>
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<tr>
<td>7</td>
<td>Forming coalitions</td>
<td>vs.</td>
<td>Facilitating teamwork</td>
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<tr>
<td>8</td>
<td>Whistle blowing</td>
<td>vs.</td>
<td>Improving efficiency</td>
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<td>9</td>
<td>Scheming</td>
<td>vs.</td>
<td>Planning ahead</td>
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<tr>
<td>10</td>
<td>Overachieving</td>
<td>vs.</td>
<td>Competent and capable</td>
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<tr>
<td>11</td>
<td>Ambitious</td>
<td>vs.</td>
<td>Career-minded</td>
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<td>12</td>
<td>Opportunistic</td>
<td>vs.</td>
<td>Astute</td>
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<td>13</td>
<td>Cunning</td>
<td>vs.</td>
<td>Practical-minded</td>
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<tr>
<td>14</td>
<td>Arrogant</td>
<td>vs.</td>
<td>Confident</td>
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<td>15</td>
<td>Perfectionist</td>
<td>vs.</td>
<td>Attentive to detail</td>
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MYTH OR SCIENCE?

“It’s Not What You Know, It’s Who You Know”

This statement is somewhat true.

» While knowledge is an increasingly important source of power, knowing the right people increases your chances of getting ahead.

» Networking refers to "establishing effective relationships with key people inside" and/or outside the organization and is an important activity performed by managers who were promoted the fastest.
MYTH OR SCIENCE?

A study of general managers found:

1) they fully understood the importance of networking,
2) they established a wide political network,
3) which provided them with information,
4) established cooperative relationships that could enhance their careers, and
5) they did favors for these contacts, stressed the obligations of these contacts, and “called in” these obligations when needed.

Research indicates that a person’s location within an organization is an important determinant of his/her influence.

- This evidence is not a rejection of job-relevant expertise but it indicates that “who you know” is important.
Defensive Behaviors

Avoiding Action:
- Overconforming
- Buck passing
- Playing dumb
- Stretching
- Stalling

Avoiding Blame:
- Buffing
- Playing safe
- Justifying
- Scapegoating
- Misrepresenting

Avoiding Change:
- Prevention
- Self-protection
Blame Culture in an Organization

- When something goes wrong find the person or group to blame
  - Easy to do
  - Usually political

- When something goes wrong find the root cause and eliminate it
  - Hard to do
  - But very productive when done
XIE XIE

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