

POWER AND INFLUENCE IN THE 21ST CENTURY

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INTRODUCTION

Little could be more fitting in a volume honoring legendary consultant Dick Beckhard¹ than an attempt to come to grips with power and influence in organizational life. He was a master on this subject, though one had to watch closely to see just how clever he was. He could smell who possessed power in situations, instinctively knew how to figure out what it would take to gain their trust or, if necessary, nudge them aside. He could sense where the levers of power were and how to gain control of them, and was totally unambivalent about exercising power in the service of desirable ends.

The problem with this territory during the past century has been the difficulty many have had in gaining comfort with both the tough-minded, directive exercise of power and the more interpersonally engaging, collaborative practice of it. There have been skilled practitioners of directive organizational power who effectively moved organizations by demanding key changes at just the right time. But others have used bullying to move people and organizations, as exemplified by “Chainsaw” Al Dunlap, who was a turnaround specialist delighting in firing executives, laying off hoards, threatening salespeople, and using fear to drive earnings upward long enough to cash in and move on. As of this writing he has been accused by the SEC of securities fraud for his actions at Sunbeam, where his reign fell apart, as often happens to those who operate exclusively from coercion. Although before that he had been successful at a number of companies, recently it has come to light that he got into trouble early in his career for questionable practices, but later hid those experiences by omitting them from his bio.² People like him have given directive power a bad name. But since power in organizations is the capacity to influence in order to get things done – requiring access to resources, information and relationships--³ it is inherently absolutely necessary for leaders and managers to be powerful. The challenge is to exercise it directly when appropriate and collaboratively when that is needed – but in either case to exercise it to get work done.

Forceful and directive use of power is necessary when organizational members do not or cannot understand the need for, or pathways to, new directions, or do not have the relevant expertise to contribute to a decision. Exerting power this way, however, makes less sense when no one person has the answer, expertise is dispersed, and the cooperation of the influenced is needed. In those circumstances, a more collaborative exercise of power is required, in which all parties gain expanded influence rather than just the formal boss.

The “discovery” in the 1930s that how people are treated might make a difference in how they responded,⁴ and that understanding and connecting with organizational members could gain their cooperation, spawned among academics and consultants, then among many leaders, a bevy of practices and movements encouraging some variation of being considerate. These included counseling (now coaching), participation, sensitivity training

then team building, empowerment, and so on. These forms of power sharing were often effective – but sometimes overdone by those who do not like the directive exercise of power and confuse it with dominance or bullying.

We have observed that too often managers are good at one or the other approach to getting things done, but that genuine lasting effectiveness requires both ways of functioning. Effective leaders must be comfortable with listening *and* caring, with working from positive reciprocity as well as hard-nosed calculation, pushing and assertion. Both directive and collaborative behavior are a requisite part of a manager's repertoire; overuse, under-use or poor use of either can lead to dead ends, massive resistance, dissipation of effort, unproductive anger and retaliation.⁵ (This will be discussed more fully below and is summarized in Table I).

In addition, another useful distinction when examining the use of power is between power that directly changes individual behavior and power that alters structural elements that eventually change behavior. Each can be potent if used at the right time, but a waste of energy if not. The challenge is to become comfortable and skilled in the exercise of the full range of possibilities for moving people and organizations, and developing a sense of when to do what.

This challenge is not new; we want to address the question of whether the conditions for exercising power will be different in the 21st century, and how. That should be useful to managers trying to figure out how to be most effective in the future.

JACK WELCH; MASTER OF POWER

To begin the process of predicting what will change in the organizational use of power and influence in the next century, let us look at a leader who was named manager of the 20th Century,⁶ someone who was not only able to get great results from a giant company, but be articulate about leadership and leave a (mostly) visible track record from which we can learn. Jack Welch transformed GE, already considered a well-run company when he took over in 1981 but a rather sluggish agglomeration of hundreds of businesses, growing very slowly. His predecessor, Reginald Jones, was a respected captain of industry, playing often on the national stage of business leaders. Welch had been a dark horse candidate, only one of several well groomed GE executives, not from a prominent business or professional family, with a degree from University of Massachusetts – distinctly not the Ivy League or Big Ten. He was relatively young, and had a reputation for being somewhat of a hothead who violated corporate hierarchy when he felt strongly about matters, which he often did.

Despite having a strong Massachusetts accent and a slight stutter, Welch was a compelling speaker, with intensity and conviction. Even when he was just a rookie CEO, he was already very sure of himself, and charismatic.⁷ Over the years, as his business success and reputation grew, he became more articulate, more visible, and even more charismatic, with an intensity that intimidated some and generated admiration in many

others. His presence is so compelling that it would be easy to attribute his success to personal effectiveness, to magnetism and personal power. He has those in no small measure, but viewing his 20 years as CEO in retrospect, it is evident that he was also a master of identifying, capturing and utilizing the organizational levers of power. These levers are not so readily grasped, and are often left out of treatises on power in organizations. But we can identify no one leading a very large company who combined personal style and structural command as successfully.

Within months of taking over, Welch decided that GE was too diverse, too unfocused, and too unable to grow rapidly as constituted. He declared that henceforth GE would buy and sell companies until it could be number one or two in every business it was in. That strategy became well known as he went into action, eliminating dozens of units, removing some 200,000 employees and adding back about 100,000, reducing the total number from 400,000 to 300,000. This earned him the nickname of “Neutron Jack,” a person who took out the population while leaving the buildings standing. During this time some saw him as a hard-hearted destroyer, or assumed that all he cared about were profits. What has seldom been noted is that by reducing net payroll somewhere in the range of \$3 Billion, he took a company that was likely to have barely broken even and made it comparatively profitable, which provided the resources to grow and develop.

Another benefit from this imposition of discipline and will was that he earned considerable credibility with Wall Street and GE directors, a support base that would make it possible for him to introduce many radical organizational changes without opposition from above or outside. Others have played this game; Al Dunlap had a run as a radical cost cutter that for a while bought him credibility with number chasers, but slash and burn only goes so far, and without a growth strategy, it flames out, as it did for Chainsaw Al.

Structural levers

Early on, Welch replaced many top executives and built a new team, and restructured to take out layers of management. He also opened up communication in all directions by visiting management training programs at Crotonville to create give-and-take sessions with managers, test new ideas, and preach his messages about what he expected. He introduced 360 degree feedback; and leveraged what he later called the GE “operating system,” including the planning and resource allocation processes, reviews of managerial talent (called Session C) and quarterly communication meetings to shape the company. Meanwhile, the vision as he articulated it was evolving towards “speed, simplicity and self-confidence,” towards making GE a great place to work, then to “boundaryless organization,” to stretch goals, and recently to becoming a service organization. Numerous transformation programs were introduced, including “Work-Out,” designed to eliminate unnecessary bureaucratic work (and open up hierarchical communication); six sigma; then using the internet to reform processes (“Destroy your business.com”). Over time the programs and processes evolved as conditions changed and he learned, but he was from the beginning trying to create a company that would have the agility of a small organization combined with the strength of a large one.

At the same time, the vision of what it took to be successful at GE evolved, and Welch articulated the “social architecture,” the need for managers to both make the numbers and operate according to GE values, including treating people “humanely.” He insisted on focusing on “A” players and getting rid of “C” players, the bottom 10%, who were unlikely to improve – and he continued to raise the bar. For him there were no tradeoffs between caring for people and demanding performance; in this as in many other actions, he demonstrated his comfort with the use of power in many dimensions.

From this brief review, it is possible to see that Welch used directive and collaborative forms of power, with both structural and personal focus. His charisma and intelligence allowed him to drive many structural decisions that were not popular, as well as directly influence many managers. He used some of these decisions to create more collaborative efforts at decision-making, building his executive team, allowing ideas to come up from below, and making it possible for initiative to be taken at many levels. Part of his effectiveness was in using all forms of power towards corporate ends – and being willing to acknowledge and fix mistakes as they were discovered.

SITUATIONAL AND PERSONAL BASES OF POWER

As should be increasingly clear, power is a complex result of organizational position *and* personal attributes. Some people have skills or characteristics that allow them to be influential with others; some people have organizational positions that allow them more access to resources, information or relationships; and some, like Jack Welch, have both. No matter how many attempts are made to make organizations boundaryless, to eliminate arbitrary distinctions among members, or to enhance individual skills, differences in ability to influence will remain. Position and skills usually interact. Some personal attributes increase the chance of acquiring situational power, and having a powerful position can enhance the development of personal skills.

The way power works is that those who have it and use it at all effectively, acquire more power (as we saw with Welch). Successful accomplishment of important tasks is the first critical component of acquiring power; doing one’s job well may not be enough to assure sufficient power for accomplishing greater tasks, but it is usually the price of admission.

Power is about real differences in ability to control valuable assets, which lead to more ability to control the information, resources or relationships. It is also about perceived differences in such control. If others think that someone is powerful, they behave in ways that reinforce actual power. The rich get richer, except when they abuse their actual or perceived power, and fail to act in ways that are perceived to be legitimate or organization-centered. In organizational life, power that is “socialized” as McClelland put it,⁸ that is, used in the service of organizational goals, is more effective than other forms of power. Because it is accepted and valued, it increases the power of the person who uses it. If on the other hand the use of power is seen as only aimed at personal

glorification, it is likely to create a backlash, and sooner or later, others will find ways to undermine the abuser.

Nevertheless, differential amounts of power are an inevitable byproduct of position and skills. Further, in order to accomplish organizational ends, the behavior of some members will at times have to be influenced in directions they may not otherwise choose to go in. The influence may be through positive attractive means such as articulation of an alluring vision, persuasiveness, and full collaboration in determining implementation if not direction. But at other times, it may require repetitive insistence, or even some form of coercion that uses rewards or induces fear, since there will be some members who will require steering towards organizational goals through the use of directive power.

Unfortunately, differences in hierarchical position and responsibilities can create attitudes among members of excessive fear or rigidity that get in the way of necessary upward communication. Thus, even the most egalitarian structures can inexorably erode into dysfunction, requiring considerable effort to maintain appropriate initiative, openness and collaboration from those below.

There is another aspect to the exercise of power that is worth noting. Those who wish to make something happen can do it openly, making their attempts overt, or do it covertly, trying to keep their efforts out of sight or behind the scenes. Welch's style was relatively overt, whether pushing for changed behavior by an intense face-to-face encounter, or struggling to launch a program like Work-Out, designed to provide many opportunities for new behavior. As a consequence, Welch may have been feared by many, but [*for most,*] he was trusted and perceived as genuine.

On the other hand, some powerful people have worked behind the scenes, in more manipulative ways, to shape behavior. Robert Caro has brilliantly documented the ways that Robert Moses and Lyndon Johnson covertly exercised power – and though both were eventually removed from office, had many years of successful power plays.⁹ Moses, for example, secretly wrote obscure clauses into bond legislation when he was a legislative assistant in NY that he later used to shield and give unusual powers to his position as Parks Commissioner. Both Moses and Johnson did illicit favors to create obligations that were collected when needed. This covert exercise of power is attractive to certain kinds of leaders, and has been used to shape organizations for better or worse. But sooner or later, such backroom operations are discovered, and the enemies accumulated along the way seek revenge.

Wider use of technology to make information available, a prying press, and a greater number of skillful employees and trained managers make it harder to conceal such actions, and expectations of managerial transparency and accountability keep increasing. Certainly the current trend to give CEOs less and less time to make a difference before the board decides to remove a “poor performer” means that more scrutiny of how managers work is likely.

Nevertheless, our experience with managers over the last 30 years leads us to conclude that many still try to cover their tracks, fearing that if others know how they are trying to exercise influence these intended targets will be less controllable. The managers also fear that if the influence attempt does not work out, they will lose future influence. While successful use of power leads to more power, the opposite is also true; failed power attempts reduce power. Managers who are less than courageous often, therefore, try to disguise their intentions and actions. We have described this form of interaction as one version of “heroic leadership,” manager-as-conductor, and it dies hard.¹⁰ That it occasionally works only reinforces its survival, even though most of the time followers recognize the game, and either look to win it by direct counterattack, or apparently go along, but sabotage by tactics such as withholding critical information or failing to take desirable initiative.

WHAT WILL NOT CHANGE ABOUT POWER AND INFLUENCE

Many attempts like those at GE described above have been rightly made to mitigate the distancing and arbitrary effects of hierarchy, and there are organizational mechanisms such as open forums, (ala GE’s Work-Out), electronic access (such as e-mail and web sites), cross-cutting task forces, or 360 degree feedback that can help, but they are only ways of pushing against the hierarchical tide, not of permanently stopping it.

Similarly, there have been many training programs – some created by the authors of this paper – aimed at reducing distance by teaching individual skills such as assertiveness, feedback, listening, confrontation, influencing, and “empowerment.” No matter how good such programs may be, however, there will always be some people who don’t have the ability or courage to use the skills when facing others who are more forceful, more verbally proficient, or in more potent organizational positions. As much as the desire for equality drives many Americans to look past natural differences among people, there are differing capacities inherent in biological beings. Just as with athletes, intensive development activities can raise the level of most, but there will remain inherent differences that neither training nor experience can eliminate.

Finally, it is unlikely that best efforts can eliminate all misuse of power. How people react to having power, or to those who have more or less than they do, is at least in part a function of their own personal experiences, both early in life with family, and throughout their organizational experiences. Even deep psychoanalysis has no better a track record than chance at fundamentally changing personality, and basic attitudes about authority are deeply entrenched, despite the best intentions to be effective.

Furthermore, as the world becomes more complex and more difficult to predict or control, the longing for leaders who can provide certainty and direction is likely to increase, or at the least not diminish. We have written of the problems caused by heroic leadership assumptions, where leaders and followers alike think that leaders should be all knowing, have all the answers and always be responsible for everything in their domain.¹¹ Although there has been an increase in numbers of managers who are trying to

operate in a post-heroic fashion, we do not believe that any foreseeable forces will soon eliminate these longings.

HOW POWER AND INFLUENCE ARE LIKELY TO CHANGE

Two major forces will impact the use of power in organizations during the 21st century. There will be an ever-increasing need for rapid, and major changes; and requisite knowledge and expertise will be more widely disseminated throughout organizations. These forces will drive the use and forms of power in three ways:

1. The tension between the need for speed of action and the need to collect knowledge and expertise to make informed decisions will require increasing the total amount of power in organizations.
2. To assure that there is both sufficient autonomy and speed, clear organizational vision must be articulated and committed to.
3. Further, mutual influence will become increasingly required as a way of assuring cooperation for organizational goals.

Increasing need for rapid change

It isn't exactly late-breaking news that there is an increase in the requirements for organizational speed. With the rapid pace of technological change, increased global competition, changing work force demographics and expectations, privatization and so on, organizational survival will depend on the ability to rapidly adapt to change, make fast decisions and then remake them in light of new information and results. In this sense, lack of speed kills, and therefore organizations will need to be able to rapidly make decisions and alter plans.

Technology alone is a central driver of the faster pace. One type of threat is from disruptive technologies, which look to be inferior to dominant technologies, but are much less expensive and therefore can open whole new markets, then increase in quality until they threaten the older markets.¹² Another threat comes from the commoditization of products once innovative, requiring shifts to new technologies that may call for skills not readily present in the firm. Intel's decision to get out of memory chips, its main business, was driven by this phenomenon. Polaroid and Kodak seem to have been unable to make the shift from chemical-based to electronic photography, despite many attempts.

Similarly, global competition can bring large, hungry competitors into markets where they previously were absent or minor players. The consolidation of companies makes competitors more able to bring scale to bear to drive down prices, buy into markets, or offer new benefits. Moving too slowly in response can lose market share that is very difficult to recapture.

All of this change of pace can make it imperative for leaders to be able to act rapidly and to mobilize their organizations, without being slowed by the need to consult with all stakeholders or build consensus. There are times when doing something, even the wrong thing, is better than inaction. In these circumstances, leaders must have the legitimacy and acceptance to be able to make the decisions, and to count on the organization's members to come through. Boldness, coupled with trusting support, become conditions for survival.

Knowledge and expertise throughout the organization

Another force, related to the pace of change, is the rapid increase in the need for diverse expertise among employees, and the need to deploy them throughout the organization so that they can be close to the action. Education levels have risen, making it possible to ask more of employees (and raising their expectations that they will be used for more than routine execution). And as demands for rapid action have increased, and information needs increase, it is increasingly necessary to have people at all levels who are empowered to act based on their first-hand knowledge of the issues and their capacities for exercising judgment and initiative. Information has to be accessible to many more than in the past, and they have to be able to use it quickly.

In addition, there is ample evidence that most innovation comes from the middle of organizations, not just from the top. Those who do the work, and have knowledge, are the most likely to see new opportunities and possibilities; they are not only the organizational Cassandras, as Intel Chairman Andy Grove called them, warning of shifts in the markets, technologies and industries, but also the developer of products and plans. Without their entrepreneurial energy and willingness to take initiative, organizations could not keep up. They cannot be stifled without serious consequences.

THE CORE DILEMMAS

These two conditions set up contradictory needs that can make the exercise of power remarkably difficult. In order to respond rapidly, leaders must be decisive, and sometimes bold. Competing on speed¹³ requires the willingness to move – mountains if necessary. They have to be able to cut through organizational resistance and routine to dramatically shift course, or to make early bets before all the data is – or can be -- in.

The danger with this kind of forcefulness, however, is that it may well kill the kind of upward information flow needed to make smart decisions in a complex changing world. Overriding opposition, or not even giving it a chance to be heard, can easily send the message that initiative is not welcome, pushback is dangerous, and that people are expected to go along to get along.

At the same time, leaders have to be able to rely on more and more people at all levels to be able to speak up, be decisive, take action. It will seldom be the top person alone who has all the answers, sees all the trends, understands all of the customers, knows most about technology needs, or has all of the interpersonal skill and wisdom to deal with the

aspirations and quirks of all stakeholders. It is difficult to make good decisions in isolation, since the input of so many different experts will be needed, and must be somehow reconciled when the necessary tradeoffs have to be made. It may not even be recognized “experts” who have the most useful information or ideas; anyone in a fast-moving and changing environment, regardless of formal position, may be at the forefront of the action at a given time, and may notice, sense, intuit or stumble on critical intelligence. If they do not feel free to communicate their observations in any direction, including upward, and in turn if those with the formal power are not attuned to listening to people who are outside of the formal structure, the organization will be too slow to receive early signals that can make all the difference in discovering customer needs, generating new products, or reacting to competitors’ moves.

Furthermore, in order to get the kind of individual investment needed to have people taking initiative at every level, it is necessary to give them not only access and voice, but considerable autonomy. When information rather than physical products is increasingly the basis for companies and their success, it is not possible to get excellent results through mere compliance. Members of the organization must be committed to the organization and its objectives, and ready to go beyond minimal requirements.

At the same time, this dispersion of skill and decision-making ability means that just when swift decisions are needed, the talent may decide to dig in and insist that they be heard – even when they do not agree with each other and are sure that their view of the world is the correct one. The greater the dispersion of power -- an inevitability when employees are better educated, there are more experts, growth may be explosive, faster action is needed and employees may be located far from headquarters – the greater the number of people who can resist direction. *At just the times when decisiveness is needed, it becomes more difficult to gain support and acceptance for unpopular decisions.*

That responsible employees might resist or offer counter-suggestions, and make it harder to exercise direct power, can be frustrating to leaders, but it is not inherently bad. Resistance may be due to lack of understanding of urgency or business imperatives, which will necessitate clearer and more open communication from above. Resistance may be due to the general cultural changes around the world that result in less willingness of subordinates to blindly follow orders, which means that leaders will be obligated to explain their actions, and be more transparent about reasons for requests or directions. Or resistance may be due to the resisters having knowledge that was not available to the leader(s), but is necessary for informed decision-making. In that case, the dispersion of power is beneficial, because it results in better decisions, with more relevant input from those who have the scattered or localized knowledge.

What a dilemma! Act fast, but don’t squelch those below who know what you need to know, and don’t get so bogged down in listening to them that the train has left while you are still trying to find the platform. Unfortunately, there are no simple guidelines for when to listen and when to charge ahead. Organizational members at all levels must learn to be comfortable both with making decisions on their own when they know what to do or there is a true emergency, and with seeking the many others who should be included in

order to make good decisions. They must have a good sense of when to do which, and be comfortable in either mode. Neither simple mantras of “empowerment” nor rigid centralized control captures the sophisticated heuristics that will be needed.

Another dilemma arises from the speed and autonomy requirement. As we have said, in order to make timely decisions, leaders at all levels have to be able to use judgment and initiate appropriate action, or responses will be too slow. Measured action makes sense in stable environments, but not in rapidly moving ones. Yet if people have so much autonomy, there is the danger that they will make decisions that do not align with the organization’s goals, miss important opportunities or ignore critical implications for other parts of the organization. They can become wild ducks flying wherever they like, or even worse, loose cannons that could sink the ship (as happened with Nicholas Leeson, the bond trader in Singapore who sank his company, Barings, by unauthorized trading).

What makes this so difficult that it is not just leaders who have the dilemmas, it is also the people who report to them, leaders in their own right as we have explained, who have the dilemmas too. Leaders do not exercise leadership in a vacuum; they depend on the behavior of their subordinates, who are supposed to cooperate with the leader’s directions and concerns, but also speak up when they believe the leader to be wrong or misinformed. Subordinates have to decide when it is appropriate to push back and when to go along, when it is critical to be heard and when it would truly be a career-limiting move, or just gratuitously irritating. For some it is all too easy to give away their power by hiding behind the subordinate role and acceding to the boss’s right to make the decisions. Their concern about self-protection not only reduces the likelihood of the leader making the correct decision, but hampers their own potential for influence on future issues.

In addition, subordinates are also supposed to be leaders in finding problems, taking initiative to solve them, and leading others. Just as top leaders sometimes have to get things done when their subordinates are not quite ready or fully able, leaders below can’t wait for the perfect leader above; they have to find ways to be effective whether or not their boss is providing the exact best conditions. Otherwise they are not taking the right kind of upward leadership initiative. Thus everyone has responsibilities in all directions, making the spread and use of power even more complex and challenging.

POWER USE THAT COUNTERS THESE DILEMMAS

These dilemmas are real and will not go away in the foreseeable future, but there are three approaches that can help work through them and will therefore be increasingly common. The first is to increase the total amount of power in any system, so that all members are more effective. The second is to use and reinforce articulated vision as a uniting element. The third is to build skills of mutual influence, enhancing the quality of decision making.

Increasing the total amount of power

Organizational power has often been conceived of as a limited, fixed commodity, subject to struggles for capture by competing players. In some circumstances, that is an accurate description, and individuals who do not know how to (or do not care to do what is needed to) effectively compete for power end up relatively powerless, or even ejected from the organization. Tom Stallkamp, for example, president of Chrysler at the time of the merger with Daimler Benz, discovered this to his dismay. Put in charge of “accelerating integration” of the merged companies, he tried to be collaborative but would not undercut Bob Eaton in the way that Jurgen Schrempp, the chairman of the new DaimlerChrysler wanted, so was increasingly cut out of the inner circle, and eventually was fired.¹⁴ Many executives in so-called mergers of equals have discovered too late that few managers from the weaker partner survive.¹⁵

Far more often, however, despite the belief by those who have only experienced competitive, cut-throat environments, power is expandable, with increases for all players possible. Helping subordinates become more powerful, for example, need not diminish the power of the leader; if they are more powerful and can get their work done better, the leader’s power expands. Ability to deliver increases, credibility rises, and both leader and the whole group become more powerful. Furthermore, subordinates can take the initiative to expand the total amount of power by doing those things that make themselves and their colleagues more effective, and enhancing the power of the leader. For example, they can watch for new opportunities, provide helpful feedback or other forms of assistance to each other, anticipate the needs of the leader as he or she deals with the rest of the organization -- in short, take ownership for the success of the unit and organization. Greater success leads to greater collective power.

Making vision real, central

Another potent force that can overcome some of the insistence of highly autonomous people on getting their way is the use of organizational vision. Unfortunately, vision in many organizations is no more than an empty slogan. Yet when it is genuinely inspiring, clearly articulated, referred to often, a guideline for hiring, and used for decision-making, vision can both help to free smart subordinates and keep them from completely digging in on any issue about which they have differing views. If there is a vision that most buy into, then the vision can serve as a broad constraint rather than the leader having to use personal or positional power to align people. When there is agreement about direction, then disputes focus on means rather than ultimate ends, and the nature of the conversation is different. The vision can be invoked to move discussions forward, and to in effect remind people that in some way their interests must be framed in terms of overall benefit to the organization and not just the specialty of the individual.

In rapidly moving situations, vision may not be as long lasting as it once was, but, as Collins and Porras have pointed out in *Built to Last*,¹⁶ fundamental direction does not

change with every technological shift, and fundamental values – a part of vision that matters a lot -- can survive many product cycles.

Vision is in itself a powerful source of influence, moving people who would otherwise just keep their heads down and think only of their own function or projects. A high percentage of employees whose basic needs are satisfied, very much want to feel that their work has meaning, making a difference to others and to the world. That desire can become a potent force when leaders throughout the organization are able to articulate a vision that makes vivid the impact of the work.

In addition, the existence of a clearly articulated and generally accepted vision works to provide direction for autonomous leaders throughout the organization, and prevents them from becoming loose cannons who shoot off in all directions at once. It isn't easy to get buy in for vision, but repeated use of the vision for important organizational decisions like strategy, hiring, and investments; symbolic acts that vividly demonstrate the top leader's commitment to it; leader walking of the talk; and periodic discussions of the implications of the vision, can help to increase commitment.¹⁷ Once there is buy-in, many unherdable cats can be headed roughly in the same direction, and therefore allowed considerable freedom. And again, subordinates can play a valuable role in enhancing the benefits of shared vision. They can reinforce its use by pointing out when it is not clear and asking for clarifying discussion, propose options for its articulation, or remind the boss and colleagues when struggling with current problematic issues that the vision could be helpful in resolution.

Using Mutual Influence

One of the best ways to influence smart, independent people, is to allow them to have influence on the issues they care about. Since they usually know things that the leader does not, it only makes sense to be willing to explore together, using the expertise of anyone who has relevant information or ideas. When stated this way, it seems indisputable; why would any manager want to make a decision without using the most expert and relevant information. Although heroic assumptions die hard, the greater dispersion of talented people will make it ever more likely that leaders will use directive power only rarely.

The opposite of directive power is not exactly the same as what is often meant by “power sharing,” or “empowerment,” since those terms imply that the powerful person has to give up some of the power to make the others strong. Rather, it is about enhancing the power of all, making the others strong and at the same time allowing the leader to be strong too. Few leaders will tolerate for long any philosophy or practice that means they have to be handcuffed, no matter how hard they try. It is in the nature of managerial work to want to be able to get things done, so giving up that capacity is not realistic. But creating the strength in others that guarantees they will not crumple when the leader pushes, nor resist just because the leader wants something, makes for better discussions, decisions, and implementation. Only when a leader can count on colleagues to push back

when they have information that contradicts the leader, can he or she use full strength in pursuing ideas.

At the same time, subordinates who know that they will be listened to, and will be encouraged to disagree, whether or not they ultimately prevail, do not act out the resistance of the powerless, digging in just to have some measure of control of a tiny piece of turf.¹⁸ They are less likely to resist or sabotage. Since reciprocity is universal, those who feel that they are listened to develop at least some obligation to listen back in return. When there has been a continued pattern of mutual influence, the leader will be given some latitude at those rare times when directive action must be taken because of being at a strategic inflection point, emergency, or other causes discussed in the beginning of the paper. Having allowed upward influence, credit for being a manager who is not afraid of mutual influence will enable more latitude when it is needed. Abuse of this credit will generate widespread resistance, but occasional and proper use is generally granted those who are not perceived as arbitrary, closed and unilateral.

In this way, leaders can be decisive when necessary without being seen and reacted to as coercive. Thus, the shared power of mutual influence needs to be coupled with more willingness to trust others in the organization when cooperation is needed. Over time that will start to build more open cultures where it is expected that people will disagree freely, but be willing to accept decisions with which they disagree. The Intel model of dissent and commit, which actually goes farther than acceptance and support of decisions you have disagreed with, to the obligation to commit to proving one's formerly dissenting position wrong, will become more common, helping to resolve the initiative dilemma.

Implicit in this model of spirited discussion and eventual commitment is the idea of mutual influence among colleagues, not just between leader and followers. Peers need to be willing to take one another on without being destructively competitive, and therefore must be skillful in both exercising influence and in being influenced when that will lead to better decisions. Enhancing the influence skills of all in the organization serves, along with the acceptance of a common vision, as another check on the inappropriate pursuit of autonomy. Interdependent colleagues will hold each other accountable, and confront any one of them who is disregarding the organization's direction or needs. And since mutuality goes in all directions, subordinates can add to their boss's effectiveness by being willing to enhance his or influence when that is needed. Just pushing back is not the only way to insure good decisions; sometimes propping up can be helpful, especially in difficult times. The initiative to increase organizational results can come from any direction.

Performance as an increasingly important source of power

Because of all this, there will be a shift in the sources of power in organizations. We mentioned earlier that power comes from both position and personal skills. During much of the 20th century organizational position was in part determined by having the right background, what sociologists call ascribed characteristics, such as class, gender, religion, race.¹⁹ In addition, certain factors that derive from such factors, like dress and

school attended were also important. People with the “right” background had a much greater chance of becoming high-level managers, and though competence at the job mattered, it mattered a lot less than these other factors. As we move more into the information age, where industries are more knowledge-based, what people know and can do will assume ever-greater importance.

Expertise has always been a source of power, but it will become proportionally more important, and easier to recognize in organizations where power is more widely dispersed. There will be more peer judgment accessible, and therefore it will be ever harder to hide actual performance and capacities. Reputation, which derives from one’s character, abilities, willingness to collaborate, and delivery on the job, -- along with ability to learn and be seen as open to learning -- becomes ever more important. Since it will be harder to direct from above, more work will be accomplished by ad hoc teams and groupings, formal and informal, that will in effect choose their members. When important tasks are on the line, people will want to work with others who can actually deliver, and not just with those who look right and know which fork to use at a formal dinner. Another way of saying this is that power will increasingly accrue to those who can deliver, which is in keeping with organizational and democratic mythology, but hasn’t always been the case in practice. One implication is that subordinates who deliver will accrue more power – which in turn can help their boss to utilize their talents more, therefore deliver more and raise total unit performance.

In addition, remember that influence ultimately derives from reciprocity.²⁰ Whether the influencer has a good reputation for being able to deliver, organizational rewards and punishments to disburse, charisma that makes others feel confidence or attraction, or just the legitimacy of position, those who are influenced get something in return for allowing themselves to go along. What they get may be tangible or intangible -- goods, services or particular feelings – but they are in effect exchanging what is wanted for what they value. Thus greater power goes to those who are skilled at building ways to generate reciprocity.

Since it is much easier to get others to reciprocate if they trust the person making the request, and have an existing relationship, the powerful will be good at understanding what is important to others, and at finding ways to deliver it, but also at making relationships before there is any business to transact. As the raw exercise of power by directiveness becomes less useful and less possible for a lot of work, there will be a premium on another kind of on-the-job performance: genuineness. Those who are only feared, or are widely mistrusted, will have less ability to get work done, and will lose power.

CONCLUSIONS

Power and influence in the 21st century organization will be sophisticated and versatile. Those who cannot listen, utilize the expertise of many, articulate a uniting vision or build mutual influence will create the very resistance that makes informed, concerted effort so difficult. If they cannot build a wide network of relationships and a reputation for being

trustworthy as well as competent, they will find themselves unable to gain the cooperation needed for complex, challenging work. At the same time, those who can only be nice, and cannot exercise any of the more directive methods, are afraid to make anyone angry, afraid of causing conflict or hard feelings, will also be handicapped. When it is necessary to make the tough decisions, they will be paralyzed.

Thus organizations of the next century will require people who are versatile and comfortable with themselves. They will have to be comfortable with exercising their tough and tender sides; with making tough decisions alone and with sharing power; with influencing and being open to influence; with passionately driving decisions and also being willing to admit that others may have better ideas or contributions that can shape the decisions; with taking initiative in all directions. They will need the capacity to do what will work in a given situation – including being so true to oneself that it is possible to choose not to do what is needed because it violates dearly held values or ethical standards.

This is a tall order, but we believe that we have shown that the future will demand no less, realistic and healthy people making informed choices. Dick Beckhard would be pleased.

Table 1
**USE AND ABUSE OF DIRECTIVE AND COLLABORATIVE
 LEADERSHIP**

<i>Too Directive</i>	<i>Directive</i>	<i>Collaborative</i>	<i>Too Collaborative</i>
Takes over, doesn't give people enough rope.	Leads personally. Is personally involved in solving his or her unit's problems.	Enables subordinates to lead. Is able to let go and give individuals the same latitude to do their jobs.	Empowers to a fault. Gives people too much rope.
Other people don't speak out, aren't heard.	Lets people know clearly and with feeling where he or she stands on issues. Declares himself or herself.	Is interested in where other people stand on issues. Is receptive to their ideas.	People don't know where he or she stands.
Is insensitive, callous.	Makes difficult calls - including those with adverse effects on people.	Is compassionate. Is responsive to people's needs and feelings.	Is overly accommodating. Is nice to people at expense of work.
Is harshly judgmental. Dismisses the contributions of others. Is an unloving critic.	Makes judgments. Zeros in on what is substandard or is not working – in an individual's or unit's performance.	Shows appreciation. Makes other people feel good about their contributions. Helps people feel valued.	Gives false praise or praises indiscriminately. Is an uncritical fan.
Is parochial, a partisan, creates rivalries.	Is competitive. Is highly motivated to excel and have his or her unit excel.	Is a team player. Helps other units or the larger organization perform well.	Sacrifices sharp focus on own unit; Doesn't argue for legitimate interests.
Pushes too hard. Demands the impossible. Risks burnout.	Has an intense can-do attitude. Expects everyone to do whatever it takes to get the job done.	Is realistic about limits on people's capacity to perform or produce.	Is too understanding. Doesn't expect enough.

(Cont.)			
<u>Too Directive</u>	<u>Directive</u>	<u>Collaborative</u>	<u>Too Collaborative</u>
Is arrogant. Fails to recognize or acknowledge others' talents.	Is confident. Gives people the feeling that he or she believes in self and his or her abilities.	Is modest. Is aware that he or she does not know everything and can be wrong.	Is self-effacing or down on self. Is too quick to discount own views.
Sticks rigidly to a course of action, even in the face of strong evidence it's not working.	Is persistent. Stays the course – even in the face of adversity.	Is flexible. Is willing to change course if the plan doesn't seem to be working.	Is inconstant, changeable. Is too quick to change course.
Forces issues when finesse would work better.	Raises tough issues. Insists on working through to conclusion.	Fosters harmony, contains conflict, defuses tension.	Avoids or smoothes over tense issues that need attention.

Adapted from Robert Kaplan, "The Dimensions of Forceful and Enabling Leadership: Virtues and Vices," *Leadership in Action Vol. 19, No. 4, 1999*

¹ Dick Beckhard was a pioneer of organizational development. He taught at MIT and consulted to many organizations on structure, power and leadership issues. The book for which this paper was written is dedicated to him.

² For a good summary of his history, see "Albert Dunlap and Corporate Transformation, (A) and (B)," *Babson College Case Series*, 1999. His recently revealed early disputes with employers was reported in Floyd Norris, "The Incomplete Resume: A special report. An Executive's Missing Years: Papering Over Past Problems," *NY Times*, July 16, 2001.

³ Rosabeth Moss Kanter, "Power Failure in Management Circuits," *Harvard Business Review*, July-Aug., 1979.

⁴ See, for example, Elton Mayo, *The Human Problems of an Industrial Civilization*, NY., Macmillan, 1933; F.J. Roethlisberger and W.J. Dickson, *Management and the Worker*, Cambridge, MA., Harvard University Press, 1939; Doug McGregor, *The Human Side of Enterprise*, NY, McGraw-Hill, 1960, etc.

⁵ Robert Kaplan, "The Dimensions of Forceful and Enabling Leadership," *Leadership in Action*, No. 4, 1999. We have chosen the terms "Directive" and "Collaborative" because we find them more descriptive of the phenomena.

⁶ *Fortune*, Nov. 22, 1999.

⁷ See Harvard Business Publishing Corporation Video tape 300-511, "GE Compilation: Jack Welch 1981-1999," where he was speaking to an MBA class just months after taking over as CEO.

⁸ David McClelland and Burnham, D.H., "Power is the Great Motivator," *Harvard Business Review*, March-April, 1976, 100-110. McClelland, *Power: The Inner Experience*. New York: Irvington Publishers, 1975.)

⁹ Robert Caro, *The Power Broker; Robert Moses and the Fall of New York*, NY: Knopf, 1974; *The years of Lyndon Johnson*, NY: Knopf, 2 vols., 1982, 1990.

¹⁰ Bradford and Cohen, 1984 *op cit*.

¹¹ David L. Bradford and Allan R. Cohen, *Power Up; Transforming Organizations Through Shared Leadership*, NY.:Wiley, 1998; Bradford and Cohen, *Managing for Excellence*, NY: Wiley, 1984.

¹² Clayton M. Christensen, *The Innovator's Dilemma; When New Technologies Cause Great Firms to Fail*, Harvard Business School Press, 1997.

¹³ Stan Davis, Christopher Meyer, *Blur : The speed of change in the connected economy*, Reading,Mass.:Addison-Wesley, 1998; Bill Capodagli, Lynn Jackson, *Leading at the speed of change : using new economy rules to invigorate old economy companies*, NY: McGraw-Hill, 2001.

¹⁴ Dianne St. Jean and Allan R. Cohen, "DaimlerChrysler Merger: The Quest to Create One Company," *Babson College Case Series*, 103-C01 A, 2000.

¹⁵ For a vivid example, see Charles Gasparino and Anita Raghavan, "How Dean Witter Boss Got the Upper Hand in Merger with Morgan; Phillip Purcell Edged Out John Mack, a Dealmaker Famed on Wall Street," *Wall St. Journal*, March 22, 2001, p. A1.

¹⁶ James C. Collins and Jerry I.Porras, *Built to Last: Successful Habits of Visionary Companies*, NY: HarperBusiness, 1994.

¹⁷ See Bradford and Cohen, *Power Up*, chapter 7, "Creating Commitment to a Tangible Vision."

¹⁸ Kanter, *op cit*.

¹⁹ Talcott Parsons, *The Social System*, New York: Free Press, 1965.

²⁰ See Allan R. Cohen and David L. Bradford, *Influence without Authority*, NY: Wiley, 1990. The traditional way of categorizing sources of power is in J.R.P. French, Jr. and B. Raven, "The Bases of Social Power," in *Group Dynamics: Research and Theory*, eds. D. Cartwright and A. Zander, NY: Harper & Row, 1960, pp. 607-23.