CHAPTER 2 LEADERSHIP POWER AND INFLUENCE

1. Transactional and Transformational Leadership

* Transactional Leadership – a transaction or exchange process between leaders and followers.
* Transformational Leadership – characterized by the ability to bring about significant change in followers and the organization.
  + Develops followers into leaders
  + Elevates concerns to higher level psychological needs
  + Inspires followers to go beyond their own self-interests
  + Paints a vision of desired future state and how the change is worth the effort
  + Can communicate complex ideas in a compelling manner
  + Act in unconventional manners
  + Inspire faith
  + Earn trust by willingly incurring great personal risk
  + Source of influence is from personal characteristics

1. Charismatic Leaders
   1. Leaders who have the ability to inspire and motivate people to do more than they would normally do, despite obstacles and personal sacrifice.
2. Power and Influence
   1. Power
   2. The ability of one person or department in an organization to influence other people to bring about desired outcomes
   3. Influence
   4. The effect a person’s actions have on the attitudes, values, beliefs, or actions of others
3. Where does power come from?
   1. *Position power - A written, spoken, or implied contract wherein people accept either a superior or subordinate role and see the use of coercive as an acceptable way of achieving desirable results.*
      1. Legitimate Power - Authority granted from a formal positions in an organization.
         1. Rights, responsibilities and prerogatives accrue to anyone holding a formal leadership position
         2. Set goals, make decisions and direct activities
      2. Reward Power - Authority to bestow rewards on other people
         1. Appointed leaders may have access to rewards such as pay increases, promotions, physical resources
         2. Influences subordinate’s behavior
      3. Coercive Power - Authority to punish or recommend punishment
         1. Opposite of reward power
         2. Right to fire, demote, criticize, reprimand or withdraw pay raises
   2. Personal Power
      1. Expert Power - Results from special knowledge or skill
         1. Followers go along with recommendations because of his/her superior knowledge
         2. Usually gained from experience
      2. Referent Power Comes from personality characteristics that command identification, respect and admirations so that others want to emulate the person
         1. Dependent on personal characteristics rather than title
         2. Strong identification with leader
4. Dependency
   1. If a person has control over a resource that is desired, he/she gains power
      1. Information
      2. Cooperation
      3. Resources
5. Politics - Activities to acquire, develop, and use power and other resources to obtain desired future outcomes when there is uncertainty or disagreement about choices
6. Political Activity
   1. Impression management – people seek to control how others perceived them
   2. Executive presence – the impact you have when walk into a room
7. Seven Principles for Asserting Leader Influence
   1. Use rational persuasion
   2. Make people like you
   3. Rely on the rule of mutuality
   4. Develop allies
   5. Ask for what you want
   6. Remember the principle of scarcity
   7. Extend formal authority with expertise and credibility
8. Guidelines for Ethical Action
   1. Is the action consistent with the organization’s goals, rather than being self-motivated purely by self-interest?
   2. Does the action respect the rights of individuals and groups affected by it?
   3. Does the action meet the standards of fairness and equity?
   4. Would you wish others to behave in the same way if the action affected you?