Theoretical Observations on Power in Complex Organizations

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Abstract

Power is the ability to make things happen according to one's perspective by getting someone else to do something. In organizations, there are various sources of power. However, the primary source of power is the legitimate power, which means the power assigned based on job designation. Organizations are made up of individuals that exercise greater or lesser degrees of power. Sometimes, authority stems from a person's title in the organization, or from specialized knowledge and expertise. Others may exercise power through interpersonal relationships or the force of their personality. And still, others gain influence through an ability to grant access to important resources. This research will examine the structure of complex organizations with a focus on power management and power relations that can be created within the organizations themselves. It presents some observations of how the distribution and exercise of power in complex organizations varies systematically as a function of environment, organizational form, and personal characteristics of organizational members. This analysis, therefore, will define the power strategies, in order to understand the basis of the power, deepening how the power could be managed by leaders.

1. Introduction

Power is a notion that is both simple and complex, since around its definition, the majority of human relationships are developing in private and professional life and in work.

This phenomenon has many different characteristics and it could be difficult providing a unique definition of it.

Giving a clear definition of its meaning and explaining his phenomenon, could be difficult. Thus, to get a first overview, it is necessary to deeper some classical meanings of power. Weber (1968) theorized the first definition of power to explain its dynamics, based on the designation of "macht" (power), namely the possibility that an individual is able to achieve its objectives within a social relationship, even facing an opposition; we can state, therefore, that any social relationship occurs, under certain circumstances, such as a power dynamic. The notion of power, defined with the German term "Herrschaft" is more specific and includes only those cases in which the power is exercised by someone as obedience to an ordered specific command [1].

The power in organizations occurs, then, in an individuals' ability to assert their will, even facing resistance, manifest or latent.

According to the sociologist, the individuals can suffer the others' power for a variety of reasons, from a simple habit until the unscrupulous search of their self-interest (not every power needs economic means or has economic purposes). However what let the individuals accept the power, is generally related to two main factors, *i.e.* the possibility of obtaining materials compensation and the social integrity; therefore what makes stable the power, is given by the awareness of its legitimacy.

The power in the complex organizations is strongly connected with leadership that should be based on two parameters: the aptitude to establish the necessary communication and organization models, useful to accomplish the organizations' mission, and the leader behavior functional to maintain personal effective and positive relationships with the rest of the group [2].

This article is organized as follows. Section 2 analyzes the definitions of power and authority, *i.e.* two separate but related concepts. Section 3 introduces the concept of leadership, studied with both qualitative and quantitative methods in organizational contexts. Finally in Section 3, we present our conclusions, explaining the link between the role of power and the effective leadership, understanding how leaders use power, to learn about the situations in which power is exerted and to describe how individuals and organizations can improve their leadership through the effective use of power, in order to influence positively the organizations' results.

2. Power and Authority

Weber's definition of power in society has remained the starting point for many sociologists. He defined power as being: "the ability of an individual or group to achieve their own goals or aims when others are trying to prevent them from realizing them" [3].

Therefore, from this, Weber identified power as being either authoritative or coercive. Authoritative power represents exercising power which is seen as legitimate. By being legitimate it is effective because those who are subject to the power do so with consent. Thus, authoritative power is not coercive, since coer-

cion is when someone exercises power through force—*i.e.* forcing someone to do something against their wishes [4].

Weber assumes that power it manifests itself in three forms:

1) Traditional authority—this form of authoritative power comes from established customs passing power down on a hereditary basis (monarchy);

2) Charismatic authority—this type of authoritative power is based on "charisma"—for example, the personal qualities an individual has in order to influence a group or person;

3) Rational-legal authority—this form of authoritative power comes from certain groups having certain positions of power over subordinate groups (police).

The legitimacy of traditional authority/power has its foundations on the belief of all those traditions considered always valid as ever, and on the legitimacy of those having this power; the traditional power is an acquired power that finds its reason in the past, such as the hereditary monarchy.

The legitimization of the charismatic power has its reasons in the heroic strength and exemplary value demonstrated by an individual; it represents, therefore, the ability out of the ordinary.

The charisma, therefore, is connected not only to the exceptional characteristics held by a charismatic figure, but also in his image held by others. The charisma has a central role also in the complex organizations, where leaders' and managers' image appears to be more important than the same technical skills owned.

Finally, the legal power finds its legitimacy in the validity of laws established and in the entitlement of commanding of those called to exercise this power. The legal power is the most important and is rational, because what is rational is also "de facto" legal. The law, and therefore the power, must be formally rational. The typical example is the bureaucracy, because, operating impersonally, is coherent and able to use the best means to reach its purpose [5].

According to these definitions, also the organizations represent a rational power useful to achieve its goals shared by all members; therefore any deviation from the pursuit of the common objectives is seen as a deviance, generated by personal interests, that needs to be corrected immediately. Thus, all conflicts therefore, represent an opposition to authority and need to be solved through management actions.

In a pluralist vision, the power is connected to several holders which use their authority in order to solve resolve conflicts harmful to the interests of the organization [6].

According to Mary Park Follet, then, the power does not represent something that can be entrusted or subtracted to someone, but it signifies the ability to "make things happen". Consequently, in the organizations, the power is connected to the role and no one could have more authority than it is in exercised function. From the analysis of these situations, some conflicts (and not a unique behavior) could arise. These conflicts can be solved in three ways: the prevalence of one party over the other; the compromise, reached through mutual conces-

sions; the integration, when the parties cooperate to produce a behavior, advantageous for both [7].

The power in organizations, therefore, is the result of structural features. Usually organizations are indeed broad and complex systems, with hundreds or even thousands of member; they are characterized by a formal hierarchical structure, in which certain tasks are more important than others, regardless of who runs them. In addition, some roles have access to more resources and their contribution to the organization can be more critical than others. Therefore the power in an organization tends to reflect the organizational relationships, both horizontal and vertical, and it is usually given a position/a role and not to the person who holds this role [8].

So, in the organizations, the power could be:

1) Legitimate power. Namely, the authority granted by the organization to the formal position that the manager holds;

2) Power to reward. It comes from the capability to give rewards and promotions, or to congratulate the employees.

3) Coercive power. It represents the authority to punish or recommend a punishment against other members.

4) Power of competence. It is the result of increased capacity or knowledge acquired by manager on tasks.

5) Reference power. It derives from personal characteristics that would push to admire the manager, to emulate them or to identify with them.

These, then, are the main sources used by leaders to exercise their power of command on the organization and they are part of a more complex phenomenon, known as leadership.

3. The Main Theories on Leadership

Over the past few decades, the studies on the leadership have grown exponentially, because of its importance to the success of the organization. In that regard, if we put the word "leadership" in a search provider, we can find more than three million results.

The current challenges posed by the digital revolution, have, in fact, pushed organizations to meet a whole series of changes that are affecting both the macro and micro-economic scenarios, and the ability to respond to these radical transformations—even before they occur—is one of the main characteristics of the leadership.

In the meanwhile, the new-economy has also changed the idea of organization, which no longer appears structured on countless hierarchical levels with intermediate leaders, but based instead on slender and flat structures where concepts of hierarchy and leadership seem to lose the meaning that covered until a few decades ago.

Analyzing initially the main currents of thought on the subject of leadership, it appears that there is not a common definition of what should actually be con-

sidered as leadership in the organizations. With the same expression, in fact, it is possible to refer also to distant concepts, so much so that at times the word leadership tends to be equated to the management, thus merging roles among them deeply different, for duties and features, such as the business leader and the manager. In fact, the manager focuses on monitoring the results, comparing them with the objectives and, when it is appropriate, the manager changes the economic and financial management and the structural resources; the leader instead focuses on people, looking for ways to motivate the team and to ensure that every member gives the best to achieve the common goal and he must also choose the right strategy to adopt [9].

Therefore, we can state that someone could be a manager or a leader, he can be both, or neither of these two, but the two concepts must be always separated.

The term "leader", comes from the verb "to lead", *i.e.* to drive or to conduct. The leader is one who exercises his leadership role, directing the most functional path for the company. The leadership consists, therefore, in the interaction between those in a structure, an enterprise or a group, occupy a higher position than the other, then the leaders. In other words, the leadership can be defined as the "ability to influence". The leadership, in a company or in an organization, covers the specific a function to combine the needs of the individual to the needs of the group and vice versa, in order to achieve the final goal for each company, *i.e.* the creation of wealth.

On this basis, it is necessary to investigate which are the main theories on leadership. The scientific literature recognizes three main groups of theories: the trait theory, the theory of behavior and the contingency theory.

The trait theory was one of the first attempts at a systematic study of leadership. The fundamental statement is that there are original characteristics possessed by certain people that make them natural leaders (such as historical figures, such as Abraham Lincoln or Mahatma Gandhi). This approach is based on the identification of common features among the great leaders that are distinctive than non-leaders. Several authors have tried, over the years to define the common traits of the various great leaders in history, such as intelligence, self-confidence, determination, integrity and sociability.

The theory of behavior focuses, instead, not on who a leader is but on what a leader does.

This theory, thus, analyzes the leaders' behavior, especially towards to their followers, since investigates how the performance of the working groups (teams) are influenced by the leader attitude and how the types of behavior are related to the power distribution within a social context (organization).

Finally, the contingency theory considers, differently, variables that can intervene to change relationships between leader behavior and effectiveness. Some of these studies have focused on how leaders emerge in different circumstances, such as in times of crisis or in gaps of power, while others studies are directed toward the study of how leaders and followers see each other in the different contexts, such as in political parties, in the army or in large companies.

One of these first models is called "contingency model", by Fred Edward Fiedler, created in order to explain how the orientation of the leadership, the group composition and the characteristics of tasks, interact between them, influencing the performance of the group. According to Fiedler, the efficiency of a certain style of leadership is connected to the favorable environmental conditions for the leader himself. The variables involved in describing the situation are three: the relationships leader-employees (effective climate); the structure of the tasks (shared definition of the task); the leading organizational power (power accorded by the organization to the leader).

These three dimensions are interconnected and mediate each other, since leaders, with low organizational power, need to be more legitimized in the exercise of its influence in the group and must commit themselves to maintain or to structure positive relationships with the collaborators [10].

Also the model of the "situational leadership" by Hersey and Blanchard (1984) belongs to the contingency theories. According to these two authors, there is not always a valid leadership style in any situation, but it is possible to formulate specific models useful in each given situation [11]. In particular, the behavior of the leader should take into account the employees' work, their knowledge, their ability to perform certain tasks and their psychological maturity, namely their willingness and their motivation to achieve your goals [12].

4. Conclusions

Leadership is strongly connected with power and should be based models based on two parameters: the aptitude to establish the necessary communication and organization models, useful to accomplish the organizations' mission, and the leader behavior functional to maintain personal effective and positive relationships with the rest of the group.

Effective leadership and power mean using the ability together:

To prescribe, focusing on senior management when the level of employees' (or team members') is low maturity and it is necessary a driving style;

To train, in which senior management and high relation are equivalent, since employees (or team members) have a low-medium maturity with poor skills, but a strong willingness to assume their responsibilities;

To engage, in which the lower direction is compensated by high relationship, because the employees (or groups members), with medium-high maturity, require a low leading behavior and a high relationship behavior in order to be encouraged to use their skills;

To delegate, in which low direction and low relationships are the same, and the employees (or members) with a high degree of maturity can be left free to decide how to achieve business goals.

Making a decision, the leader must consider a number of conditions such as: the importance of quality decision-making; the quantity of information held; the amount of information that subordinates possess; the clearness of the problem; the acceptance level of subordinates (required to implement the decision); the

probability that a decision is accepted by subordinates; the motivation level of subordinates about the possible solution of the problem and finally the level of disagreement of subordinates about the solutions you prefer [13].

Leadership and power are also strictly connected to the ethic that represents a set of principles of right conduct, *i.e.* a system of moral values.

In conclusion, power and leadership can be used in many ways in an organization. But, because of the potential for its misuse, it is important that the leaders fully understand the dynamics of using power.

All organizations (small, medium or large) are influenced by the impact of power and leadership and, even if the distribution these two factors may differ from one organization to another, their outcome could be positive or negative for the organization itself.

The leader, therefore, should, in fact, focus to define its behavior in order to formulate overall strategies, to allocate resources, and to manage the balance of power between each part of the company or of the group, internally and externally, influencing positively the results.

However, the various sources of power should not be thought of as completely separate from each other; sometimes, in fact, the leaders should use them together in varying combinations depending on the situation and the organization environment.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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