
UNIT 7 POWER, AUTHORITY AND DELEGATION

Structure

- 7.1 Introduction
 - Objectives
- 7.2 Power and Authority
 - 7.2.1 Power
 - 7.2.2 Authority
 - 7.2.3 Influence
 - 7.2.4 Need for Power and Authority
 - 7.2.5 Types of Power
- 7.3 Characteristics of Target
- 7.4 Leadership Style
 - 7.4.1 Characteristics of Authoritarian Leader
 - 7.4.2 Characteristics of Democratic Leader
 - 7.4.3 Characteristics of Charismatic Leader
- 7.5 Delegation
- 7.6 Guidelines for Effective Delegation
- 7.7 Team Building
 - 7.7.1 Self-examination of Team
 - 7.7.2 Symptoms of Ineffective Team
 - 7.7.3 Symptoms of Effective Team
 - 7.7.4 Reasons for Failure of Team
 - 7.7.5 Suggestions for Improving Teamwork
- 7.8 Case Study
 - 7.8.1 Situation - A
 - 7.8.2 Situation - B
- 7.9 Summary
- 7.10 Answers to SAQs

7.1 INTRODUCTION

For smooth and efficient functioning of an organisation, a formal authority system must be supplemented with informal power and influence. It has sometimes been observed that professionals and managers use more than their official authority to obtain cooperation from their subordinates.

Objectives

After studying this unit, you should be able to

- define power and authority,
- appreciate the role of power and authority for efficient and smooth functioning of the organisations,
- discuss various types of power,
- appreciate the role of delegation in management and explain its process,
- describe the various types of leadership style, and
- explain, how to build an effective team.

7.2 POWER AND AUTHORITY

Power is the ability to exercise influence or control over others – even obedience. Authority on the other hand, is the right to command and extract obedience from others. It, in fact, comes from organisation and it allows the leader to use power.

However, it is not necessary that one has authority before exercising power. As a matter of fact, many professionals and managers in Indian organisations find it difficult to exercise authority vested in them.

7.2.1 Power

Power is defined as the ability to get an individual or group to do something, to get the person or group to change in some way. The person who has power, has the ability to change others.

7.2.2 Authority

Authority is right to manipulate or change others. It legitimizes power. Power may not be legitimate always. Authority is different from power because of legitimacy and acceptance.

7.2.3 Influence

Influence is broader concept than power. It involves the ability to change people in general way. It is closely associated with leadership. However, power and influence are conceptually similar and we can use them in changeable way.

7.2.4 Need for Power and Authority

Whenever, a group of people work together to achieve common goal, it is seen that most part of their effort contributes to goal of organisations. But some part of their effort deviates from goal. We need power and authority to control this deviation of behaviour. In every organisation, employees are trying to achieve a common goal. Sometimes, their behaviour deviates from expected behaviour – for example, late coming to office. Managers need power and authority to control deviations of behaviour. It helps them to use manpower effectively. Power is potential ability to change the course of events and get people do things that they would not otherwise do. Every manager uses power to control, to direct behaviour of employees towards goal of organization.

7.2.5 Types of Power

French and Raven analysed various types of power that can be exercised in an organisation. These are known as bases of power also.

Reward Power

It refers to the ability and resources to reward others for doing desired actions. In every organization, managers may have potential rewards such as pay increase, promotions, favourable work assignment, recognition etc. The manager has power to administer these rewards. Success or failure of this reward depends upon subordinate's perception of reward. If subordinates do not value the reward, it will not have desired effect on them for example, an employee is offered a pay increase of Rs. 500/- in a year but he may not value it positively if he is very rich already. Under this condition, reward will not be able to control behaviour of subordinate. Sometimes middle managers may not really have opportunity to administer reward because top management has more control on rewards. But as long as subordinates perceive that manager is instrumental in administration of reward, he will have reward power over subordinates.

Coercive Power

The manager with coercive power has the ability to inflict punishment or coercive consequences on other employees. They have the ability to threaten the employees which can result in punishment and undesirable outcomes. In any organization, managers have the power to fire or demote employees, check their increments and salary also. Management can directly or indirectly threaten an employee with these consequences and therefore, his behaviour can be controlled.

Legitimate Power

This is known as position power, it depends upon the hierarchical position the manager holds in the organization. There are three sources of position power. Firstly, the prevailing cultural values of a society or group that determines what is legitimate. Secondly, hierarchical organisational structure of the company is source of legitimate power. Thirdly, legitimate power can come from being designated as representative of a group – for example, elected officials, chair person of a

committee, a member of various social groups or management committee etc. In Indian organisations managers mostly use their legitimate power. It is bound to be effective in controlling behaviour of employees.

Expert Power

It is based on knowledge and expertise of the manager. Experts will have knowledge and expertise in a well defined area for example production, finance, etc. It is possible to influence and control subordinates if managers are perceived to have knowledge and expertise. However, expert power is highly dependent upon perception of subordinates. They should perceive the manager to be credible, and trust worthy before expert power can be effective. It should be noted that expert power is not dependent upon position of manager.

Referent Power

This type of power comes from the desire on behalf of subordinates to identify with the agent having power. They wish to identify with powerful people regardless of outcome. Referent power depends upon personal qualities.

These above mentioned sources of power enable a manager to exercise control over his subordinates. Indian managers mostly use position power to influence their subordinates. It should be noted that other types of power like; reward, expert, referent, can help the manager. They should try to use them. Whatever base or type of power is used, its effect depends upon characteristics of target who is being influenced. Power relationships can be explained better by understanding characteristics. Target means, the person whose behaviour manager is trying to control.

SAQ 1

- (a) How use of power helps the managers ? What are five types of power ? Give one example of exercising each type of power by managers. Whether or not a manager at lower level can use reward power. If yes, explain how ?
- (b) Do you think, use of power is necessary to control people ?
- (c) What are the personality traits which determine effect of power ?

7.3 CHARACTERISTICS OF TARGET

Dependency

The employees who show high dependency have more chances of being influenced. On the other hand, employees who are more independent are less likely to be influenced by manager.

Uncertainty

When employees are uncertain about correctness of their behaviour, they are more likely to be influenced to change their behaviour.

Personality

The employees who can not tolerate ambiguity, anxious, and have high need for affiliation are more likely to be influenced.

Cultural

Cultural values of a society have an impact on influenceability of its people. Cultural values like individuality, dissent, tend to decrease influenceability. On the other hand values like cohesiveness, agreement, which are dominant in Asian Society tend to increase influenceability.

In addition to these characteristics, ability to use power and authority is determined by following factors :

- control over physical facilities and financial resources,
- control over Information, and
- types of organisation – private sector or public sector.

7.4 LEADERSHIP STYLE

It is closely related to power and authority. Leadership style refers to a manager's characteristic ways to interacting with his group members. All managers exercise power and authority to control subordinates, however, their means of exercising influence differ. In very general terms, some managers have authoritarian style which some managers have democratic style of leadership.

7.4.1 Characteristics of Authoritarian Leader

- He decides all policies himself. The subordinates are not involved in decision-making process.
- He expects compliance to his decisions.
- He usually defines the tasks and instructs members to accomplish them.
- He makes group dependent upon himself. The team members have to ask his advice before doing anything.
- He provides emotional support to his subordinates and acts like father-figure.
- He does not tolerate opposition to his ideas.

7.4.2 Characteristics of Democratic Leader

- He decides major policies and issues in consultation with other members of group.
- The members of group have opportunity to share information and express their opinion in the group.
- He has confidence and trust on his subordinates.
- The members are free to work with whomever they like and division of task is left to the group.
- He maintains good interpersonal relationship with all members of group.

7.4.3 Characteristics of Charismatic Leader

They have an idealized goal they want to active, strong personal commitment to goal. They are perceived as unconventional, and agent of radical change rather than an ordinary manager who maintains the system. When organisations are facing rapid change, such style of leadership at top level of management is very effective. The characteristics of charismatic leader are given below :

- They have very high level of self confidence in taking their judgements.
- They have ability to visualize future and communicate it to people in the language which they can understand.
- They believe that they can change the situation. People have confidence in their ideas.
- They have strong conviction about vision and they are willing to take personal risk and engage in self-sacrifice to achieve their vision.
- They have tendency to show unconventional behaviour.

SAQ 2

- (a) What are the advantages and disadvantages of using democratic leadership ?
- (b) What are the advantages and disadvantages of using authoritarian leadership ?
- (c) Differentiate between democratic, authoritarian and charismatic leadership.

7.5 DELEGATION

It refers to assignment of authority and responsibility to author person or persons to carry out specific authority. In organizations superiors delegate authority to subordinates for accomplishing task. This is necessary mechanism for effective functioning of organization because no superior can supervise all activities of organization. Delegation helps in developing skills and competence of subordinates.

Advantages of Delegation

- It increases managerial effectiveness and reduces managers' burden of work.
- It provides opportunity to subordinates to share responsibility and sharpen their skills.
- Many executives have high need for achievement. They enjoy work and like to share responsibility. Such executives feel motivated when managers practices delegation.
- It makes executives result oriented.

Disadvantages of not Delegating

- Managers will feel burden of work continuously.
- There will be feeling of mistrust between managers and his subordinates.
- Subordinates will not get opportunity for developing their skills.
- Manpower utilization will be inadequate.

Why Managers do not Delegate

- Some managers feel insecure because of competences and skills of subordinate who can do very efficient job.
- Some managers think that
 - I can do better job than subordinates,
 - subordinates are incompetent, and
 - they will make mistakes.
- They do not trust subordinates.
- They fear that subordinates can be appreciated by top management.
- Some managers want to create an impression of indispensable person.
- Some managers have authoritarian style of leadership. They do not like to share power and decision-making.

7.6 GUIDELINES FOR EFFECTIVE DELEGATION

Following are the guidelines normally adopted for effective delegation :

- Responsibility for task is assigned to the lowest level of organization at which there is adequate ability and information to carry them out completely.
- Employees should be delegated sufficient authority to carry out assigned task effectively.
- Employee should be made accountable for success as well as failure of task.
- There should be clear line of authority running step by step from highest to lowest level of organisation.

SAQ 3

- (a) What are the consequences of not delegating ?
- (b) Why some managers do not delegate ?

7.7 TEAM BUILDING

Every organisation is a big team having a large number of employees who are trying to achieve a common goal. All people are divided and organized in smaller teams for effective functioning of organization. Organizations try to maximise the performance of teams. A team can achieve more than sum of its individual members. Even then, many teams do not function effectively. However, performance of any organization is dependent upon teamwork of its employees. In general, it is observed that team work is poor in Indian companies. Therefore, every organization is trying to improve teamwork. The purpose of team building is to increase group functioning.

7.7.1 Self Examination of Team

Self examinations refers to assessment of functioning of team. In other words, it is an attempt to know how team is functioning at any given time. Any team of an organization – for example sales team, may be functioning properly or it may be ineffective. It may face various types of problems. To make an assessment of team, it is desirable to know what is a good team and what is an inefficient team.

7.7.2 Symptoms of Ineffective Team

Firstly, there is high degree of frustration among its members. Every individual who joins the organization has certain needs and expectations. He tries to satisfy these needs and expectations while working in the organization. However, as organization becomes large, the opportunity for satisfaction of needs gets reduced. Manytimes managers become frustrated. It has negative consequences for employees performance.

Under conditions of frustration employees show poor performance, loose their interest in job, and develop negative attitude towards organizations. It is known from research and experience that positive attitude to job and organization leads to higher performance at three levels namely, individual, group and organization. Secondly, some members of team show grumbling and retaliation. They do it privately – for example, discussions in canteen. Thirdly, many experience unhealthy competition characterised by back-biting and politics. A team should have trust and openness among its members. On the contrary, it is seen that members have mistrust and suspicion. They do not like to share their ideas. Lastly, many employees show lack of motivation and creativity. If these symptoms are seen in one or two employees, it can be ignored but if more and more employees show such feelings, it indicates that the manager should think how to improve the team.

7.7.3 Symptoms of Effective Team

In an effective team there is feeling of trust and openness among its members. Employees can express themselves openly. Mistakes are faced openly and there is an attempt to learn from mistake. Members support each other. Meetings are productive and contribute to achievement of goals. Members like to discuss new ideas and make use of them. Boss-subordinate relationship is not based on fear. Managers provide help and guidance to their subordinates whenever they face any problem. All members have high commitment to goals of team as well as goals of organization. All these characteristics indicate that people can enjoy work. They do not approach work as burden. Thus, effective team has following symptoms :

- Clear objectives and agreed goals,
- Openness,
- Support and trust,
- Conflict resolution,
- Supportive leadership, and
- Healthy interpersonal relations.

7.7.4 Reasons for Failure of Team

Following are some important reasons responsible for failure of a team :

- Communication gap between two members,
- Lack of role clarity,

- Information is not shared,
- Discrimination by boss,
- Managers do not like to delegate authority,
- Negative attitude to job and organisation,
- Hostility among employees,
- Ego problems,
- Authoritarian leadership style, and
- Rigidity of behaviour.

7.7.5 Suggestions for Improving Teamwork

Following are the important suggestions for improving the teamwork :

- Create a climate where members can freely exchange ideas.
- Whenever there is need, provide support and guidance.
- Trust your employees.
- Do not discourage and criticise your subordinates if they make mistake. Encourage them to learn from mistakes so that they should not repeat the mistakes in future.
- Recognise and appreciate good work
- Be participative leader
- Do not ignore any subordinate. Everyone should get an opportunity for work.
- Do not tolerate indiscipline. If you tolerate indiscipline, it will create poor work culture in your department or company.
- Do not promise anything which you can not do for employees. If you promise and do not do it, it creates bad image.
- Do not become over-dependent on one or two subordinates.

SAQ 4

- (a) Why teams become insufficient ?
- (b) What steps will you take to make an effective team ?

7.8 CASE STUDY

7.8.1 Situation - A

Mr. Parsuraman is Dean of an academic institution. He is supervising organisation of a workshop which is to be held within a month. He is working day and night for arrangement for the workshop which includes modification of conference hall. He requires advanced sound system which will replace old one. He has to change furniture also. He is assisted by four subordinates. One of them has the responsibility of purchasing new furniture. This person (Mr. Ramchandran) approaches Mr. Parsuraman for guidance. Mr. Parsuraman gives following instructions :

“As you know, we have to get the conference hall ready within 15 day. For some reason, the supplier, whom we had approached to buy new furniture is not able to supply within short time.”

Mr. Ramchandran :

“Sir, I think we can approach Kumar & Company.”

Mr. Parsuraman :

“I am not asking your opinion. Listen to me. This is what you have to do.

“Go and contact all suppliers who are on our list.”

“Ask all of them, when can they give us the furniture which we need for the conference hall.”

“Tell them the details about the furniture.”

“Ask them price.”

“Collect all this information and contact me tomorrow at 10.30 AM. Don't miss any information.”

“Now don't discuss much, Go and start your work.”

7.8.2 Situation - B

Mr. Parsuraman is Dean of an academic Institute. He is looking after organisation of a workshop which is to be held within a month. He is working very hard to complete arrangements for the workshop. A conference room is being renovated for the workshop. He requires modern furniture and sound system for the conference room. Four subordinates are assisting him in organisation of the workshop. One of them has the responsibility of purchasing new furniture. The person approaches Mr. Parsuraman one day. He gives him following instruction :

“As you know, we have to complete modification of the conference hall within fifteen days. So far, we have not received the furniture, we require. I think you understand the problem. You should try to search for alternative suppliers. You must be knowing some of them and contact anyone who can supply the furniture within two weeks. I am sure you can do it. Let me know, when you have got an alternative”.

Activity 1

- (a) Identify the leadership style of Mr. Parsuraman in situation - A.
- (b) Identify the leadership style of Mr. Parsuraman in situation - B.
- (c) Identify leadership style of your immediate superior in your organisation.

7.9 SUMMARY

In this unit, you have analysed role of power and authority in organisations. You have learnt various types of leadership styles and their advantages. You have examined why teams do not function effectively and how you can improve teamwork.

7.10 ANSWERS TO SAQs

Refer the relevant preceding text in the unit or other useful books on the topic listed in the section “Further Reading” to get the answers of the SAQs as well as guidance for performing given activities.