Leadership Sources of Power

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Introduction

We've been writing about leadership for several years. Our focus has been on the business community, as it should have been. We also keep appraised of global leadership quality via credible and reputable leadership surveys and assessments. Most recently, though, we have seen many leadership qualities we strive to eliminate proliferate in real-time. We are in a period when chaos seems to reign too frequently. Decisions are made without analysis, regard for long-term success, understanding or caring about consequences, and consideration of human capital. We discussed this in our recent article, Chainsaw or Scalpel.

Therefore, we thought we'd provide some perspective on the types of leadership power and their sources.

Sources of Power
Legitimate
Reward
Coercive
Referent
Charismatic
Expertise
Situational
Information

Legitimate Power

This type of power is because of the title one holds or formal authority. The assumption is if a person has been selected to hold a position of power or influence, they gained that power legitimately. Examples of legitimate power include a military officer who has earned their position through qualification, good performance, and an unmarred career. Similarly, a corporate officer with experience, knowledge, and a track record of good performance. Another interesting example is royalty. Queen Elizabeth had legitimate power, but hers was because of her birthright.

Reward Power

Generally, reward power is realized because a person controls things one may want. Do this for me, and I will grant you your wish. As one can expect, this can significantly impact a person.

Individuals with reward power can motivate others by offering tangible rewards (like salary increases, bonuses, or promotions) or intangible rewards (like praise, recognition, or opportunities) for desired actions or performance. Examples of reward power include:

- A manager offering a bonus to a team that exceeds sales targets.
- A supervisor giving a public shout-out to an employee for outstanding performance.
- A company providing extra vacation days or flexible work hours as perks.
- Types of rewards can include:
- Tangible: Bonuses, salary increases, promotions, material goods.
- Intangible: Praise, recognition, social status, growth opportunities.

Coercive Power

During our workshops, we show images of people who exemplify these sources of power. For this one, we use Attila the Hun or Kim Jong Un. We define Coercive power as leaders who use ridicule or threats of punishment to force compliance.

Coercive power is the ability of a leader to get people to do what they want by threatening them with negative consequences, such as punishment, demotion, threatening reelection, or job loss. It's a form of power based on fear and intimidation, where leaders use the threat of punishment to control subordinates. Unlike other forms of power, coercive power relies on negative incentives rather than positive ones. Examples of Coercive power include a manager threatening to demote an employee who doesn't meet a deadline, a supervisor using harsh language or intimidation to get subordinates to follow orders, and a leader creating a culture of fear where employees are afraid to speak up or disagree.

Referent Power

We define referent power as a leader with a consistent set of values, goals, and ways of getting there, even if they disagree with the leader. People will follow the referent leaders because of a consistent set of values.

How it differs from other types of power:
Referent power is distinct from legitimate or reward/coercive power, as it relies on personal qualities and relationships rather than formal authority or the threat of punishment.

Benefits:
- Stronger relationships: Referent power fosters trust and loyalty between leaders and followers.
- Increased motivation: Followers are more likely to be motivated and engaged when they admire and respect their leader.
- Improved performance: Strong relationships and motivation can improve team performance and productivity.

Examples:
- A teacher known for their fairness, empathy, and ability to connect with students.
- A manager who inspires their team through their positive attitude, leadership skills, and ability to create a supportive work environment.
- A leader seen as a role model and someone others want to emulate.

Charismatic Power

Charismatic power, a form of leadership influence, stems from a leader's exceptional personal qualities and ability to inspire loyalty and obedience in followers, often through charm, vision, and communication skills. It's who you are as a person.

Characteristics of charismatic Leaders include:
- Inspiring Vision: They articulate a clear and compelling vision for the future, motivating followers to pursue it.
- Strong Communication: They are skilled communicators, able to connect with people on an emotional level and inspire them.
- Confidence and Passion: They exude confidence and passion, which can be contagious and inspire others to take action.
- Empathy and Connection: They understand and connect with their followers' needs and emotions, building trust and loyalty.
- Charm and Persuasion: They use charm and persuasion to influence others and gain support.

Examples of Charismatic leaders might include:
- Martin Luther King Jr.
- Tom Brady
- John F. Kennedy

Expertise Power

Expertise power is influence based on knowledge and/or skills, which allows individuals to gain respect and credibility. This leads to increased influence and opportunities for leadership and advancement. Expertise power stems from having unique skills/expertise and/or knowledge in a particular area that others value.

Situational Power

Situational power refers to an individual's influence or authority within a specific context or task. It may not always align with formal power structures and can be influenced by situational factors. Situational power, also known as "power of the situation," suggests that an individual's actions and influence are significantly shaped by their specific context or environment.

It is Context-Specific in that this power is not inherent to an individual's personality or position but rather arises from the circumstances of a particular situation. Examples include:
- In a crisis situation, someone with technical expertise might exert more influence than their formal position would suggest, demonstrating situational power.
- A clerk who holds a low position but can control people by their cooperation.

Situational Strength theory suggests that certain situations exert intense psychological pressure on individuals to behave in a particular way, regardless of their personality.
- Weak vs. Strong Situations: Strong situations have clear expectations and norms, while weak situations are more ambiguous, allowing for more individual variation in behavior.

Finally, situational power can be temporary and dependent on the specific context, meaning it may not translate to influence in other situations.

Informational Power

Informational power stems from an individual's access to and control of key data, insights, or knowledge that others need, allowing them to influence decisions and behaviors. Unlike other forms of power, it is based on access to information, not inherent characteristics or formal authority. Informational power is influencing others by possessing and controlling information others need or want. Individuals with informational power can choose to share, withhold, or manipulate information to influence others' actions or decisions.

Examples include:
- Having access to confidential financial reports.
- Know about upcoming layoffs.
- Being aware of key strategic decisions.

We believe it is important to understand these concepts, and it is also essential to understand that rarely are they singular, meaning a leader exerts one or the other. What we do stress is which combination of sources represents effective, high-quality leadership. It turns out that three of the above, when used together, are effective: Referent, Charismatic, and Expertise. Think about that and relate it to your experiences with leaders throughout your career. Also, think about the opposite. Those who exhibit some of the lesser sources are reward, coercive, and situational power.

To take this discussion to the next step, we examined the characteristics of leaders and power.

Characteristics of good leaders:

- ✓ Visionary/Vision – Understood by All
- ✓ Strategic Thinker
- ✓ Earns Respect/Respectful
- ✓ Open-Minded
- ✓ Motivator
- ✓ Empathetic
- ✓ Knowledgeable
- ✓ Goal-Oriented
- ✓ Mentor/Coach
- ✓ Leads by Example
- ✓ Good Communicator [Listener/Explainer]
- ✓ Ability to Delegate
- ✓ Incorporate Corporate Values into Daily Life
- ✓ Relationship Builder
- ✓ Reasoning Skills
- ✓ Can Ask for Help
- ✓ Decisive
- ✓ Persevering
- ✓ Adaptable
- ✓ Organized
- ✓ Trusting, Trustworthy, Honest
- ✓ Good Manager of Time

Reasons why leaders fail:

- ✓ Micromanager
- ✓ Self-Centered/Big Ego
- ✓ Takes Things Personally
- ✓ Blames Others
- ✓ No Accountability
- ✓ Show Favoritism
- ✓ Lacks Fortitude
- ✓ Closed Minded
- ✓ Lack of Integrity
- ✓ Acts on Incomplete Info
- ✓ Poor Listener/Ignores facts and details
- ✓ Negative Attitude
- ✓ Work-Life Balance not Important
- ✓ Turns Blind Eye
- ✓ Not Supportive of Culture
- ✓ Takes Shortcuts
- ✓ Does not Embrace Change
- ✓ Fails to See Big Picture
- ✓ Poor Manager of Risk
- ✓ No Goals/Improper Goals
- ✓ Not prepared for Role/does not understand job
- ✓ Can't/Won't Ask for Help

Conclusion

A good leader will undoubtedly demonstrate multiple leadership types or combinations of types, depending on the context of the situation. A poor leader generally employs one leadership type, not varying with the context of the situation or organization or culture. We repeatedly speak of introspection and its impact on effective leadership. It is valuable for a leader to understand why they are effective or ineffective. Understanding the sources of power and how to use them in certain situations is valuable. One of the issues is that ineffective leaders do not espouse learning or introspection, thereby perpetuating their incompetence until severe damage has been done.

Enlightened, good leaders use introspection and the counsel of enlightened individuals to examine their successes and failures, evaluate outcomes, and understand how different power sources can yield more favorable results. We cannot stress the importance of context, situations, and culture. Other conditions may require different leadership styles and power sources. Leadership is people; consideration for their needs and desires creates ways for them to grow, develop, and contribute to the organization synergistically where everyone benefits. Leadership is not a zero-sum game.