

POWER *IN* **ORGANIZATIONS**

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PREFACE

In the last few years there has been increasing interest in a political perspective on organizational behavior. This interest has culminated in several books appearing at about the same time which treat aspects of power and politics in organizations. This growing concern with power and political activity encompasses analyses which use both social psychological as well as sociological perspectives, and incorporates topics as diverse as bargaining and influence strategies and the political aspects of organization development. The expanding effort devoted to understanding power in organizations is at once welcome and long overdue. Organizations are systems in which influence processes play an important part. As part of any study of influence, the topic of power and the political activities through which power is acquired and exercised is important.

Although power is an important topic in the analysis of organizations, it has been difficult in the past to find good teaching materials to use in presenting the subject. It was my own frustration with having to piece together selected articles, some book-length case studies, and examples from diverse sources that caused me to write this book. I have been engaged in the empirical study of power phenomena for several years; I wanted to consolidate my thinking on the subject, and to incorporate into one source many of the ideas and materials that were available for explaining power and the political analysis of organizations.

The perspective adopted in this book is basically sociological. Power is seen as deriving from the division of labor that occurs as task

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specialization is implemented in organizations. When the overall tasks of the organization are divided into smaller parts, it is inevitable that some tasks will come to be more important than others. Those persons and those units that have the responsibility for performing the more critical tasks in the organization have a natural advantage in developing and exercising power in the organization. Although individual skills and strategies can certainly affect the amount of power and the effectiveness with which it is used, power is first and foremost a structural phenomenon, and should be understood as such.

Two other introductory comments are in order. The literature on power is not particularly large, and the empirical study of power and politics is unfortunately a rare event. For this reason, the book has several aims. One aim is to synthesize what is known about power in organizations, and to develop a reasonably consistent theoretical perspective that can guide analysis and understanding of power phenomena. A second purpose is to point out where there are significant gaps in empirical research. Throughout the book, hypotheses are proposed which have no empirical evidence to support them. Another purpose, then, is to stimulate further research and additional analysis of the phenomena described.

It is also important to recognize that power and organizational politics are topics that make people uncomfortable. Power is a word with an ideological tinge. Politics is barely ethical if one uses it to get something accomplished; it is often seen as quite unethical when someone else uses it against us or in a situation in which we are involved. A third aim of this book, consequently, is to explore both the bases for this unease as well as to demonstrate that power processes are both ubiquitous and beneficial rather than harmful to organizations and to the people who work in those organizations. Power, influence, and political activity all exist. Pretending they do not exist will not make them disappear. For those who will spend their lives working in, buying from, and being served by organizations—and that includes all of us—a knowledge of power is important. The analytical perspective developed in this book can make one a fairly effective forecaster of what organizations are going to do, and can also enhance one's ability to intervene and get things accomplished. Power and politics are inevitable and important parts of administrative activity and should be analyzed and viewed as such. At the same time, because of the ideology associated with political as opposed to rational decision processes, power is a topic that may make the reader uneasy. Some discomfort is preferable to ignorance, however.

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The book begins by considering why power has been neglected in the organizations literature. The study of the politics of management literature is a good place to begin to sharpen skills in understanding the use of language and the role of ideology in politics. Management is itself a political activity, and the argument is made that much of the existing literature on organizations serves some power legitimation and maintenance functions. Alternative views of decision making are considered in the first chapter. Although this book will emphasize the political model of organizational choice, other perspectives, and how one might go about distinguishing among them, need to be appreciated. All organizations are not equally political, and it is important for those operating in organizations to be able to figure out the system in which they are working.

In the second chapter, the issue of how to define and assess the power of various political actors in organizations is addressed. In addition to understanding the game, it is helpful to be able to identify the players and their relative strengths. The assessment and measurement of power is also important for those who do research on the topic.

Power is not used all the time or in all circumstances. In Chapter 3, the conditions under which power and political activity are likely to be employed in decision making are considered. The conditions fostering the use of power can, of course, be used to determine how to make decision making less political. The consideration of this question provides some indication of the costs of moving toward a more rational model of operation, as well as some strategies by which this can be accomplished. In addition, understanding the conditions in which power is employed can help predict difficulties in the implementation of normative choice procedures, as well as indicate the circumstances in which such procedures are more or less appropriate. This topic is also addressed in Chapter 3.

Having considered what power is, how to measure it, and when it is used, Chapter 4 explores the question of the origins of power, or the determinants of the power of organizational actors. In understanding where power comes from, one begins to understand what kinds of strategies can be employed to increase power in an organization. Chapters 5 and 6 treat the subject of how power is used in organizational choice—the strategies of organizational politics. Chapter 5 considers coalitions, cooptation, the use of committees, and the legitimation of power through the use of objective criteria and outside expertise. In Chapter 6, the subject of political language is considered in detail. The role of management in using political language to justify and legitimate decisions is important. Indeed, it might be said that one of the major tasks of manag-

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ers is to make organizational participants want and feel comfortable doing what they have to do.

Chapter 7 considers some examples of power in use, and presents a review of evidence for the importance of power in understanding various aspects of organizations. The politics of careers, of resource allocations, of structures, and of executive succession are all considered.

Power, once acquired, is maintained. Chapter 8 treats the topic of institutionalization. Change is not frequent or easily accomplished. In this chapter, some of the factors that cause the persistence of existing influence distributions are described. An understanding of institutionalization is important for predicting the circumstances in which change is likely to occur, as well as understanding the relative importance of organizational adaptation; this is contrasted with selection processes as sources of change in populations of organizations.

Finally, we conclude by discussing the implications of power and a political perspective on organizations for some rather crucial topics: organizational performance, the selection, training, and skills required by managers, design of organizations, and the likely future of organizations in terms of how politicized they will be. In no case are the implications straightforward. But the importance of power in organizations requires that some attempt be made to explore its implications for the management, design, and performance of organizations.

In order to satisfy publishers, books have to be completed. They are set into type, bound, and distributed. They look finished. I consider these ideas to be very much work in progress. We need to know a lot more about power and political activity in organizations. It is my hope that this book can serve as a stimulus toward that exploration. It is certainly not the final word on understanding power in organizations.

ACKNOWLEDGMENTS

Three types of resources are required in order to complete a project of this sort: intellectual support and stimulation—ideas, time and money (the two are related), and resources required to put the project together, including all the various mechanical details which are involved. I have been helped immeasurably in all three areas.

When I arrived at Illinois in 1971 and met Jerry Salancik, I began an association that has left me considerably better off in a number of ways. Much of the empirical work on power described in this book was done with Jerry. I learned about much of the literature cited in this book through and from him. Our collaboration has been a rich source of ideas and insights. The time I have spent interacting with him has been among

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the most productive time I have spent. I have learned a great deal from him about organizations and organizational analysis; his insights pervade this book. I am tremendously grateful for his friendship and collaboration.

Many of the insights about the nuts and bolts of organizational political strategies were developed from two of my colleagues at Berkeley, Ray Miles and John Freeman. Ray is one of the most effective administrators I have ever met. Watching him in action was and is truly an educational experience. His understanding of organizations and how to get things done in them is remarkable. I learned a lot, but I suspect not as much as I should have or could have. John Freeman and I spent many a lunch at Kips or the Sinopalace discussing politics and power at Berkeley and I learned a great deal from our discussions. It gave me an opportunity to try out ideas, hear some other insights, and get a better perspective on organizational power and political strategies. Both John and Ray were important in helping me to develop my thoughts.

In addition to theoretical concepts, I also needed examples—sites in which I could observe the various processes in action. For this I am tremendously grateful to many of my current and former students. They have unselfishly provided me with all kinds of data about their organizations, as well as their feedback as I began to develop the perspective represented in this book. Several of them spent a lot of time with me, talking about issues covered in this material, and I am especially grateful for their time and support. Special thanks are in order for Phil Nowak, Larry Fogli, Katherine Strehl, Linnea Bohn, Ellie Chaffee, Richard Harrison, Doug Wholey, and my Business 377 class at Stanford; each in his or her own way contributed in an important respect to this project.

It goes without saying, of course, that I must take full responsibility for the sins of commission and omission which I have made in the pages that follow. The various reviewers of this project, including Mike Tushman and several anonymous readers, as well as those resources named above, have tried to provide me with their advice and insight. Sometimes, however, I probably failed to see the light.

For the last four years my wife, Susan, has attended law school in the evening while working during the day. These activities have provided the time and helped contribute other resources which have made this project possible. I would probably have been better off with more of her company and fewer manuscript pages, but I am proud of her accomplishments and her drive.

I have been able for the most part, to avoid the time demands and the temptations of consulting and other such activities primarily because

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of the sound advice and excellent work done by Bill and Anita Lapham and the Lapham Company. As realtors, advisors, property managers, consultants, friends, partners, construction supervisors, and next door neighbors, the Laphams have contributed more to the completion of my work than they can probably appreciate. I am thankful for their friendship and help.

Last, but far from least, the tasks of getting this book together have been accomplished or made less onerous by my secretary, Kathy Lammerding. If progress was slow, she was always willing to ask, "Why haven't you given me anything to type recently?" When impossible deadlines were imposed, not only was she nice about it but completed everything on time. Her sense of humor, pleasantness, and competence made all the tasks associated with putting this book together more enjoyable.

CHAPTER 1

UNDERSTANDING THE ROLE OF POWER IN DECISION MAKING

More than 40 years ago Harold Lasswell (1936) defined politics as the study of who gets what, when, and how. Certainly, who gets what, when, and how, are issues of fundamental importance in understanding formal organizations. Nevertheless, organizational politics and organizational power are both topics which are made conspicuous by their absence in management and organization theory literature (Allen, et al., 1979). Why?

It is certainly not because the terms power and politics are concepts used infrequently in everyday conversation. Both are often used to explain events in the world around us. Richard Nixon's behavior while in the presidency has been ascribed to a need for power. Budget allocations among various Federal programs are described as being the result of politics. Success in obtaining a promotion may be attributed to an individual's ability to play office politics. The fact that certain business functions (such as finance) or occupational specialties (such as law) are frequently important in organizations is taken to reflect the power of those functions or occupations. There are few events that are not ascribed to the effects of power and politics. As Dahl (1957: 201) noted, "The concept of power is as ancient and ubiquitous as any that social theory can boast."

Power and politics are not neglected because they lack relevance in explaining what occurs in organizations. The theme of this book is that these are fundamental concepts for understanding behavior in organiza-

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tions. In Chapter 7, the effects of power in use will be documented in some detail. For the moment, we can briefly summarize this literature by noting that there is evidence that power affects outcomes ranging from the allocation of budgets to organizational subunits (Pfeffer and Salancik, 1974; Pfeffer, Salancik, and Leblebici, 1976; Salancik and Pfeffer, 1974), to succession to executive and administrative positions (Zald, 1965; Pfeffer and Salancik, 1978: Ch. 9) to the design and redesign of formal organizational structures (Pfeffer, 1978a).

Power has been neglected for several reasons. First, the concept of power is itself problematic in much of the social science literature. In the second place, while power is something, it is not everything. There are other competing perspectives for understanding organizational decision making. These perspectives are frequently persuasive, if for no other reason than that they conform more closely to socially held values of rationality and effectiveness. And third, the concept of power is troublesome to the socialization of managers and the practice of management because of its implications and connotations.

Therefore, we begin at the beginning, with a discussion of these issues as they affect the study and analysis of power and politics in organizations. It is important to understand what power is and what it isn't; what alternative perspectives exist on organizational choice processes; and the place of power in the organization theory literature. With that as background, it will be possible then to proceed to the analysis of organizations using a political perspective.

The Concept of Power

The very pervasiveness of the concept of power, referred to in the earlier quote from Robert Dahl, is itself a cause for concern about the utility of the concept in assisting us to understand behavior in organizations. Bierstedt (1950: 730) noted that the more things a term could be applied to the less precise was its meaning. Dahl (1957: 201) wrote, "... a Thing to which people attach many labels with subtly or grossly different meanings in many different cultures and times is probably not a Thing at all but many Things." March (1966) has suggested that in being used to explain almost everything, the concept of power can become almost a tautology, used to explain that which cannot be explained by other ideas, and incapable of being disproved as an explanation for actions and outcomes.

Most definitions of power include an element indicating that power is the capability of one social actor to overcome resistance in achieving a desired objective or result. For instance, Dahl (1957: 202-203) defined

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power as a relation among social actors in which one social actor, A, can get another social actor B, to do something that B would not otherwise have done. Power becomes defined as force, and more specifically, force sufficient to change the probability of B's behavior from what it would have been in the absence of the application of the force. Emerson's (1962: 32) definition is quite similar: "The power of actor A over actor B is the amount of resistance on the part of B which can be potentially overcome by A." Bierstedt (1950: 738) also wrote of power as having incidence only in cases of social opposition. Power may be tricky to define, but it is not that difficult to recognize: "the ability of those who possess power to bring about the outcomes they desire" (Salancik and Pfeffer, 1977b: 3).

It is generally agreed that power characterizes relationships among social actors. A given social actor, by which we mean an individual, subunit, or organization, has more power with respect to some social actors and less power with respect to others. Thus, power is context or relationship specific. A person is not "powerful" or "powerless" in general, but only with respect to other social actors in a specific social relationship. To say, for example, that the legal department in a specific firm is powerful, implies power with respect to other departments within that firm during a specific period of time. That same legal department may not be at all powerful with respect to its interactions with the firm's outside counsel, various federal and state regulatory agencies, and so forth. And, the power of the department can and probably will change over time.

Although power is relationship or context specific, it is not necessarily specifically related to a limited set of decision issues. Whether or not power is generalizable across decision issues is an empirical question, not a matter of definition. Indeed, one of the interesting aspects in the study of power in organizations is the determination of under what circumstances power is general across decisions, and in what cases the power of a particular social actor is more issue-specific.

Most studies of power in organizations have focused on hierarchical power, the power of supervisors over subordinates, or bosses over employees. The vertical, hierarchical dimension of power is important in understanding social life, but it is not the only dimension of power. As Perrow (1970: 59) wrote, "It is my impression that for all the discussion and research regarding power in organizations, the preoccupation with interpersonal power has led us to neglect one of the most obvious aspects of this subject: in complex organizations, tasks are divided up between a few major departments or subunits, and all of these subunits are not likely to be equally powerful." Implicit in this statement is the recogni-

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tion that power is, first of all, a structural phenomenon, created by the division of labor and departmentation that characterize the specific organization or set of organizations being investigated. It is this more structural approach to power that constitutes the focus of this book, although at times we will consider what individual characteristics affect the exercise of structurally determined power.

It should be evident why power is somewhat tricky to measure and operationalize. In order to assess power, one must be able to estimate a) what would have happened in the absence of the exercise of power; b) the intentions of the actor attempting to exercise power; and c) the effect of actions taken by that actor on the probability that what was desired would in fact be likely to occur. Because the ability to diagnose power distributions is critical to understanding and acting effectively in organizations, we will consider the diagnosis of power in some detail in the next chapter. For now, it should be recognized that the definition and assessment of power are both controversial and problematic.

THE CONCEPT OF AUTHORITY

It is important to distinguish between power and authority. In any social setting, there are certain beliefs and practices that come to be accepted within that setting. The acceptance of these practices and values, which can include the distribution of influence within the social setting, binds together those within the setting, through their common perspective. Activities which are accepted and expected within a context are then said to be legitimate within that context. The distribution of power within a social setting can also become legitimated over time, so that those within the setting expect and value a certain pattern of influence. When power is so legitimated, it is denoted as authority. Weber (1947) emphasized the critical role of legitimacy in the exercise of power. By transforming power into authority, the exercise of influence is transformed in a subtle but important way. In social situations, the exercise of power typically has costs. Enforcing one's way over others requires the expenditure of resources, the making of commitments, and a level of effort which can be undertaken only when the issues at hand are relatively important. On the other hand, the exercise of authority, power which has become legitimated, is expected and desired in the social context. Thus, the exercise of authority, far from diminishing through use, may actually serve to enhance the amount of authority subsequently possessed.

Dornbusch and Scott (1975), in their book on evaluation in organizations, made a similar point with respect to the evaluation process. They noted that in formal organizations, some people have the right to set

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criteria, to sample output, and to apply the criteria to the output that is sampled. Persons with such authority or evaluation rights are expected to engage in these authorized activities, and, instead of being punished for doing so, are punished when they fail to do so.

The transformation of power into authority is an important process, for it speaks to the issue of the institutionalization of social control. As such, we will return to this issue when political strategies are considered and when we take up the topic of institutionalized power. For the moment, it is sufficient to note that within formal organizations, norms and expectations develop that make the exercise of influence expected and accepted. Thus, social control of one's behavior by others becomes an expected part of organizational life. Rather than seeing the exercise of influence within organizations as a contest of strength or force, power, once it is transformed through legitimation into authority, is not resisted. At that point, it no longer depends on the resources or determinants that may have produced the power in the first place.

The transformation of power into authority can be seen most clearly in the relationship between supervisors and subordinates in work organizations. As Mechanic (1962) noted, lower level organizational members have, in reality, a great amount of power. If they refused to accept and accede to the instructions provided by higher level managers, those managers would have difficulty carrying out sanctions and operating the organization. Furthermore, the lower level participants have power that comes from specialized knowledge about the work process and access to information that higher level managers may not have. Thus, Mechanic (1962) argued, what is interesting is not that subordinates accept the instructions of managers because of the greater power possessed by the managers. Rather, it is interesting that in spite of the considerable degree of power possessed by lower level employees, these employees seldom attempt to exercise their power or to resist the instructions of their managers.

The point that is being made is important. Although it is true that the manager may have the power to fire employees, to control the amount of money they get paid, and to affect their promotion opportunities in the future, in most organizations such powers are severely limited and, in any event, are seldom exercised. Employees do not consciously compare their power (to withhold labor services, to quit, to withhold information, to do the work poorly) with the power that the manager has (to use and withhold rewards and sanctions), and then decide whether or not to comply depending on the relative power balance. Rather, most of the time in most work settings the authority of the manager to direct the