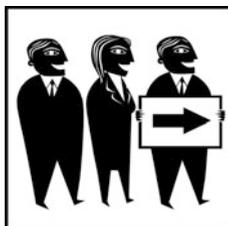


Proposition 79

Informal Authority in the Workplace

In a Word In most types of organizations, formal authority is located at the top as part of an exchange against fairly explicit expectations. In networked, pluralistic organizations that must rapidly formulate adaptive solutions in an increasingly complex world, its power is eroding as its functions become less clear. In the twenty-first century, the requirements of organizational speed demand investments in informal authority.



The Insufficient Returns from Formal Authority in Organizations

Formal authority—the power to influence or command thought, opinion, or behavior—is the defining characteristic of societal and organizational hierarchy.¹ Ideally, after Heifetz (1994), it is expected to serve five functions that most will agree are indispensable to social life. They are to (i) provide direction, (ii) offer protection, (iii) orientate roles, (iv) control conflict, and (v) maintain norms. Then

¹Formal authority, in management, is the legitimate right, specified in job descriptions and terms of reference, that gives an individual the license and associated responsibilities to decide on behalf of an organization (or in the name of its sponsoring executive).

again, in practice, there is a darker side to what formal authority can do on any given day: for instance, a boss can restrict a subordinate's actions, invalidate his or her decisions, or move for dismissal.

Charting a chain of command up a hierarchy, one will eventually locate someone (or some group) who administers the organization's collective decision rights (and enjoys the perquisites ascribed to the function). With power comes a set of resources with which to manage the holding environment of the organization and marshal attention. Yet, if formal authority resides at the top in most types of organizations to this day, it is located there as part of an exchange against overt expectations in a specific context.² Therefore, it can be taken away. Commonly, it is also lent on to lower level managers according to the relevance and importance of their positions (with which special rights and privileges are in turn associated). Paradoxically, in all cases, managers can be made responsible for getting things done but are not given the requisite authority—certainly not over their own bosses or peers.

I would rather try to persuade a man to go along, because once I have persuaded him, he will stick. If I scare him, he will stay just as long as he is scared, and then he is gone.

—Dwight Eisenhower

Formal authority cuts less and less ice: in networked, pluralistic organizations that have no choice but to rapidly devise adaptive, not just technical,³ solutions in a composite world, the power of formal authority is eroding as its utility becomes less clear. (As a result, many managers often feel they have traded their erstwhile, relative freedom against a chimera.) At the same time, since many organizations are discarding command-and-control hierarchies in favor of flatter management structures, and essential expertise and decision-making ability is ever more widely dispersed in organizations,⁴ it is necessary to excel at persuasion to move people in the right direction and get work done through others under new conditions. Therefore, all things considered, formal authority is best understood as the potential for power, the total amount of which twenty-first century organizations should aim to expand by leveraging mutual influence among personnel.

²Typically, job descriptions and terms of reference are accompanied by stipulations of education and experience requirements and specifications of desired competencies. Reporting relationships are made clear, too.

³More often than not, individuals advance to managerial positions because of their track record in resolving technical problems, chiefly through individual contributions; however, meeting adaptive challenges also necessitates human and conceptual skills in the realm of social learning.

⁴Education levels have risen and information and communications technology makes more knowledge accessible to many more than in the past. Moreover, creativity and innovation are now seen as central to organizational performance: management cannot be expected to be their sole source but must certainly manage for them.

The Challenge of New Age Leadership

Leadership is a process of social influence by which a person enlists the aid and support of others in accomplishing a common task. Having a positive leadership effect does not depend on formal authority; indeed, some of the best leadership comes from people who purposely eschew that. Conversely, many persons in positions of authority do not exercise leadership: to (endeavor to) fulfill the five basic social functions enumerated above, they navigate warily between Charybdis and Scylla, keen to avoid the troubles that arise when one asks people to confront problems; they are quite happy to simply preserve equilibrium. Extreme responses are to become overly directive or too collaborative.

Clearly then, there is a difference between what returns can be expected from formal authority on one side and from leadership on the other. Hence, clarion calls for more informal authority in organizations. Unlike the former, which relies on conformity without acceptance (Kelman 1958), the power of informal authority to influence attitudes and behaviors rests on admiration, credibility, respect, and trust, which conduce conformity coupled with acceptance. Notions of distributed leadership and management by persuasion appeal: by their means, organizations can become sophisticated and versatile, listening to and utilizing the expertise of many to intensify mutual influence and make vision real and central.

Defining Influence

Character may almost be called the most effective means of persuasion.

—Aristotle

The record of mankind's attempts to define (then refine) the principles of successful social influence is long.⁵ In the sphere of interpersonal relationships, influence is having a vision of the optimum outcome for events or circumstances and then motivating people to work together to make the vision authentic.

Herbert Kelman has identified three broad varieties of social influence—namely, compliance, identification, and internalization—that represent three qualitatively different ways of accepting influence. Paraphrasing, compliance takes place when an individual accepts influence because he or she hopes to achieve a favorable reaction from another person or group. That is, the individual adopts the induced attitude or behavior because he or she expects to gain specific rewards or approval

⁵Aristotle's *Rhetoric* dates from the fourth century BC. It gives a working definition of rhetoric, namely, the ability, in each particular case, to see the available means of persuasion; investigates the three means of persuasion that an orator must draw on, that is, ethos, logos, and pathos; and introduces the elements of style (word choice, metaphor, and sentence structure) and arrangement (organization).

and avoid specific punishments or disapproval by conforming. Identification occurs when an individual accepts influence because he or she wants to establish or maintain a satisfying self-defining relationship with another person or group. He or she adopts the induced behavior or attitude because it is associated with the desired relationship. Internalization happens when an individual accepts influence because the contents of the induced behavior or attitude—the ideas and actions that compose it—are intrinsically rewarding. He or she adopts it because of congruence with his or her value system. From a social psychology perspective, the determinants of conformity are normative⁶ and informational.⁷

Enter the Law of Reciprocity

I don't know the rules of grammar. If you're trying to persuade people to do something, or buy something, it seems to me you should use their language.

—David Ogilvy

In truth, irrespective of whether authority is formal or informal, the force that drives attitudes and behaviors, and therefore influence, is the near-universal belief that people should (in one form or another) be paid back for what they do, be that good or bad. Individuals and groups will respond to one another in similar ways: they will react to kindnesses and gifts with benevolence; conversely, they will respond to hurtful acts with some form of retaliation (or at least indifference). Their methods can be crude and mechanical, such as a literal execution of the principle of “an eye for an eye” (“tit for tat”); or they can be complex and sophisticated, e.g., one-to-one, one-to-many, many-to-one, and generalized reciprocity. (Parallels exist in the animal world.)

“I” cannot reach fulfillment without “thou”. The self cannot be self without other selves. Self-concern without other-concern is like a tributary that has no outward flow to the ocean.

—Martin Luther King

Connection promotes collaborative intent and multiplies the chances of collaboration. Usefully, Cohen and Bradford (2005) have framed an influence model

⁶Normative social influence happens when one conforms to be liked or accepted by the members of a group.

⁷Informational social influence takes place when one turns to the members of a group to obtain and accept information as evidence about reality.

based on reciprocity⁸; it brings the metaphor of currencies into play to describe the process of influence as exchange. They contend that effective managers attempt to build collaborative arrangements with potential allies, even when the latter seem at first adversaries, by discerning what currencies they might have to offer. (Sources of currencies are, broadly, organizationally, job-, and personally determined.) In other words, a manager will exercise influence only insofar as he or she can offer something that others value. (The model needs not be restricted to management; it applies to other walks of life too.)

At least five types of currencies are at work in various organizational settings: (i) inspiration-related, (ii) task-related, (iii) position-related, (iv) relationship-related, and (v) person-related.⁹ Many require no permission to spend, e.g., expressing gratitude, showing appreciation, paying respect, making the attainments of others visible, enhancing someone else's reputation, and extending one's personal help on tasks.¹⁰ Unsurprisingly, the use of each is context-specific and hinges on the availability of capital. However, almost everyone has a portfolio of currencies, even though some are more highly valued than others, trade-offs are often possible—granting that some people may have such fundamental differences in what they hold dear that joint understanding is on occasion difficult to reach¹¹: The key is to identify one's resources relative to a potential ally's wants without underestimating what one has to offer. The Cohen–Bradford model of influence rests on a long-established feature of human nature as it relates to organizational context. (The recent breakthroughs of social neuroscience are fostering other comprehensive theories of the mechanisms that underlie human behavior.) At both individual and organizational levels, also in the case of formal authority, and enriched or not by Robert Cialdini's five other principles of persuasion, the model illuminates the necessary practice of persuading in the workplace. It does well to expose the fallacies of gratuitous guidelines for mastering the art of persuasion and the pseudoscientific injunctions of persuasion campaigns.¹²

⁸Cialdini (1984) lists reciprocity—people repay in kind—as one of six principles of (ethical) persuasion. The others he cites are (i) consistency—people align with their clear commitments, (ii) social proof—people follow the lead of similar others, (iii) liking—people like those who like them, (iv) authority—people defer to experts, and (v) scarcity—people want more of what they can have less of.

⁹One can also, by the same token, identify negative currencies. These come in two forms: (i) withholding payment of a known valuable currency, and (ii) using directly undesirable currencies. Common examples of the former include not giving recognition, not offering support, not providing challenge, and threatening to quit a particular situation. Directly undesirable currencies include raising one's voice, shouting, refusing to cooperate when asked, escalating issues to a common supervisor, going public with a contentious issue, making lack of cooperation visible, and attacking a person's reputation or integrity.

¹⁰We are, sages say, better defined by what we share than by what we own.

¹¹This is more likely where societal cultural values and individual social beliefs conflict.

¹²An example of the former typically runs as follows: (i) connect emotionally, (ii) find the common ground, (iii) establish your credibility, and (iv) become an effective team builder. In the phases of change management campaigns, the persuasion process would typically ask change

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Further Reading

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(Footnote 12 continued)

agents to (i) convince personnel that radical change is imperative and demonstrate why a new direction is the right one; (ii) position and frame the preliminary plan, gather feedback, and announce the final plan; (iii) manage the mood of personnel through constant communication; and (iv) reinforce behavioral guidelines to avoid backsliding.