

# Session 6

# Power & Networks in Organizations

Sloan School of Management

Advice & Friendship Networks

Elizabeth Best Case

More Networks

*15:322*

*John Van Maanen*

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# Ambivalence about POWER

*I love power. But it is as an artist that I love it. I love it as a musician loves his violin, to draw out its sounds and chords and harmonies.*

—Napoleon Bonaparte

*Contact with men who wield power and authority still leaves an intangible sense of repulsion. It's very like being in close proximity to faecal matter.*

—Jean Baudrillard

# The Political Perspective

- Ideas, no matter how brilliant, alone change nothing
  - XEROX PARC
- Not all conflict is due to miscommunication
  - Ignoring the issue of power won't make it go away
- Management is about influence
  - Power is the ability to get people to do things they wouldn't otherwise do (and like it).
- The exercise of power need not be ostentatious
  - In some contexts, politics yields the most influence when it is performed invisibly and legitimately so as to provoke little resistance

*Leadership is the ability to get people to do things they did not want to do, and make them happy they did them.*

—Winston Churchill

# *Organization as Political System ...*

Key Concepts: Power and influence, social networks, interests, dominant coalition

Key Processes: Conflict, negotiation, forming (dissolving) relationships

View of Environment: Stakeholders

Role of Leader: Forging coalitions, identifying and leveraging interests, negotiating

Stimuli for change: Shifts in dominant coalition, in power of stakeholders

Barriers to change: “Entrenched interests”

# Power: The Ability to Mobilize Resources to Get Things Done

## Networks: The Map of the Political Landscape

- *Power accrues to those who are central in the network*
- *Power accrues to those who understand the network*

# Understanding Networks

- Not easy: The best get only half of it right
- Critical to powerful, effective leadership
- A source of power to those who may have no formal power at all, even outsiders ...

# Different types of power represented by different types of networks ...

- *Advise network: Reveals the power of getting things done in the routines*
- *Affect Network: Reveals the power of getting things done in the face of crises or major changes*

# NETWORK CENTRALITY

## Three Flavors ...

### ***Popularity Centrality***

- Describes one who is influential within a clique
- Often the informal leader

### ***Closeness centrality***

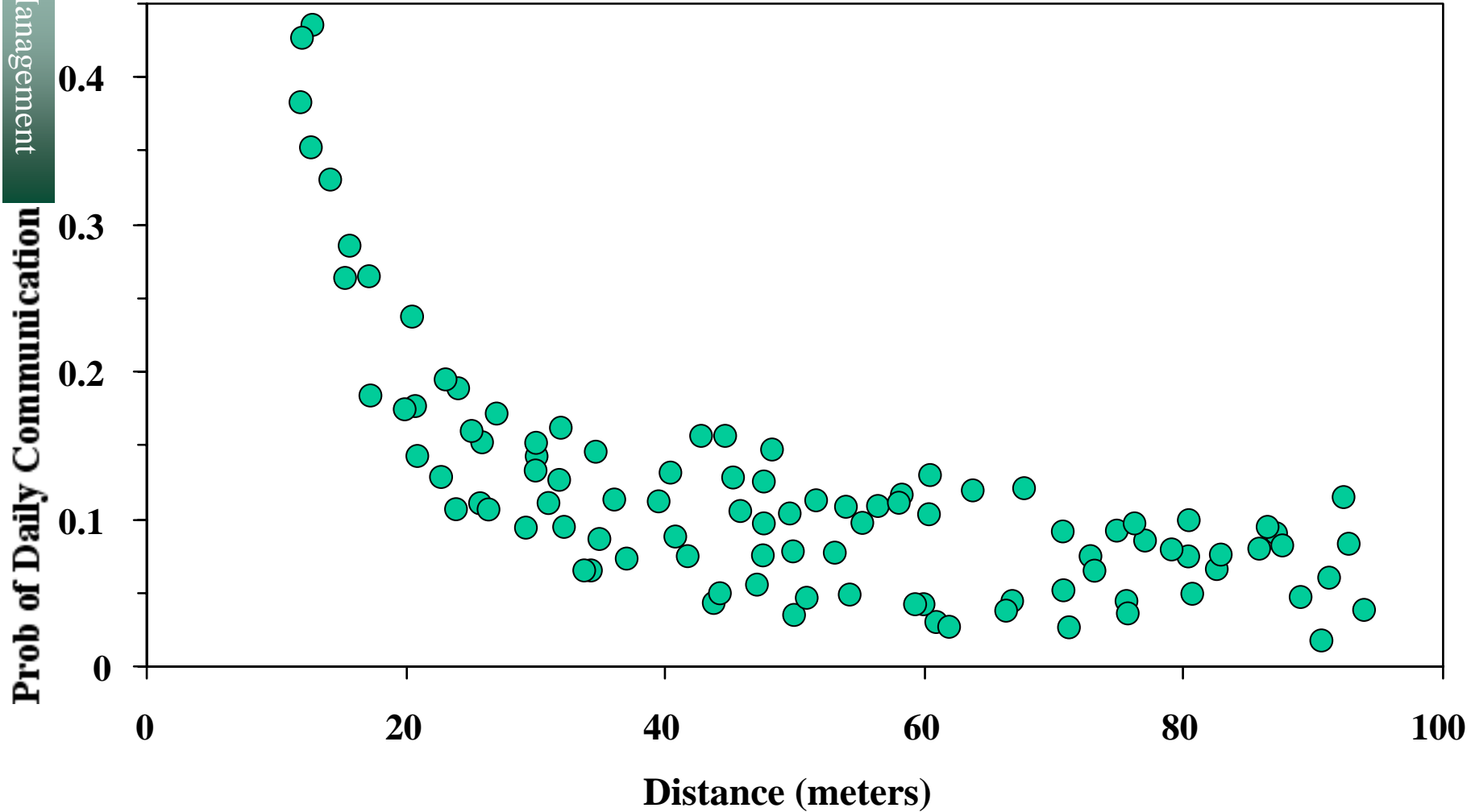
- Useful for diffusing information quickly
- Also useful as listening posts for rumors

### ***Betweenness Centrality*** (Structural Holes)

- *Gatekeepers of information*
- *Access to non-redundant information*



# Law of Propinquity



# Diagnosing the Network:

- *Groups, leaders and bridges are the first features to look for ...*
- *Develop stakeholder's map*
- *What are the interests of each group, leader and bridge*
- *Proper visualization helps but is difficult*

## *The Critical Question ...*

# **HOW DO NETWORKS FORM ?**

## **Law of propinquity**

*(with implications for strategic design  
of organizations)*

## **Reciprocity & Relationships**

*(drawing on culture - notions of fair play,  
shared fate, etc.)*

## **Conflict and Negotiation ...**

*(‘the friend of my enemy is my enemy’)*