

GIESSEN EXECUTIVE MBA
Leadership Module
by
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- Suggested Reading -

- History of leadership
- Machiavelli
- Max Weber on charisma
- Understanding power
- Political games

Leadership: A Small History of a Big Topic

By Robert Goffee and Gareth Jones

People have been talking about leadership since the time of Plato. But in organizations all over the world—in dinosaur conglomerates and new-economy start-ups alike—the same complaint emerges: We don't have enough leadership. We have to ask ourselves, Why are we so obsessed with leadership?

One answer is that there is a crisis of belief in the modern world that has its roots in the rationalist revolution of the eighteenth century. During the Enlightenment, philosophers such as Voltaire claimed that through the application of reason alone, people could control their destiny. This marked an incredibly optimistic turn in world history. In the nineteenth century, two beliefs stemmed from this rationalist notion: a belief in progress and a belief in the perfectibility of man. This produced an even rosier world view than before. It wasn't until the end of the nineteenth century, with the writings first of Sigmund Freud and later of Max Weber, that the chinks in the armor appeared. These two thinkers destroyed Western man's belief in rationality and progress. The current quest for leadership is a direct consequence of their work.

The founder of psychoanalysis, Freud theorized that beneath the surface of the rational mind was the unconscious. He supposed that the unconscious was responsible for a fair proportion of human behavior. Weber, the leading critic of Marx and a brilliant sociologist, also explored the limits of reason. Indeed, for him, the most destructive force operating in institutions was something he called technical rationality—that is, rationality without morality.

For Weber, technical rationality was embodied in one particular organizational form—the bureaucracy. Bureaucracies, he said, were frightening not for their inefficiencies but for their efficiencies and their capacity to dehumanize people. The tragic novels of Franz Kafka bear stark testimony to the debilitating effects of bureaucracy. Even more chilling was the testimony of Hitler's lieutenant Adolf Eichmann that "I was just a good bureaucrat." Weber believed that the only power that could resist bureaucratization was charismatic leadership. But even this has a very mixed record in the twentieth century. Although there have been inspirational and transformational wartime leaders, there have also been charismatic leaders like Hitler, Stalin, and Mao Tse-tung who committed horrendous atrocities.

By the twentieth century, there was much skepticism about the power of reason and man's ability to progress continuously. Thus, for both pragmatic and philosophic reasons, an intense interest in the concept of leadership began to develop. And indeed, in the 1920s, the first serious research started. The first leadership theory—trait theory—attempted to identify the common characteristics of effective leaders. To that end, leaders were weighed and measured and subjected to a battery of psychological tests. But no one could identify what effective leaders had in common. Trait theory fell into disfavor soon after expensive studies concluded that effective leaders were either above-average height or below.

Trait theory was replaced by style theory in the 1940s, primarily in the United States. One particular style of leadership was singled out as having the most potential. It was a hail-fellow-well-met democratic style of leadership, and thousands of American executives were sent to training courses to learn how to behave this way. There was only one drawback. The theory was essentially capturing the spirit of FDR's America—open, democratic, and meritocratic. And so when McCarthyism and the Cold War surpassed the New Deal, a

completely new style was required. Suddenly, everyone was encouraged to behave like a Cold War warrior! The poor executive was completely confused.

Recent leadership thinking is dominated by contingency theory, which says that leadership is dependent on a particular situation. That's fundamentally true, but given that there are endless contingencies in life, there are endless varieties of leadership. Once again, the beleaguered executive looking for a model to help him is hopelessly lost.

Niccolo Machiavelli “The Prince”

The constitutional principality

A principality is created either by the people or by the nobles, according to whether the one or the other of these two classes is given the opportunity.

A man who becomes prince with the help of the nobles finds it more difficult to maintain his position than one who does so with the help of the people. As prince, he finds himself surrounded by many who believe they are his equals, and because of that he cannot command or manage them the way he wants. A man who becomes prince by favour of the people finds himself standing alone, and he has near him either no one or very few not prepared to take orders. In addition, it is impossible to satisfy the nobles honourably, without doing violence to the interests of others: but this can be done as far as the people are concerned. The people are more honest in their intentions than the nobles are, because the latter want to oppress the people, whereas they want only not to be oppressed.

The things for which men, are praised or blamed

The fact is that a man who wants to act virtuously in every way necessarily comes to grief among so many who are not virtuous. Therefore if a prince wants to maintain his rule he must be prepared not to be virtuous, and to make use of this or not according to need.

So leaving aside imaginary things about a prince, and referring only to those which truly exist, I say that whenever men are discussed and especially princes (who are more exposed to view), they are judged for various qualities which earn them either praise or condemnation. Some, for example, are held to be generous, and others miserly. Some are held to be benefactors, other are called grasping; some cruel, some compassionate; one man faithless, another faithful; one man effeminate and cowardly, another fierce and courageous; one man courteous, another proud; one man lascivious, another chaste; one guileless, another crafty; one stubborn, another flexible; one grave, another frivolous; one religious, another skeptical; and so forth. I know everyone will agree that it would be most laudable if a prince possessed all the qualities deemed to be good among those I have enumerated. But, because of conditions in the world, princes cannot have those qualities, or observe them completely. So a prince has of necessity to be so prudent that he knows how to escape the evil reputation attached to those vices which could lose him his state, and how to avoid those vices which are not so dangerous, if he possibly can; but, if he cannot, he need not worry so much about the latter. And then, he must not flinch from being blamed for vices which are necessary for safeguarding the state. This is because, talking everything into account, he will find that

some of the things that appear to be virtues will, if he practices them, ruin him, and some of the things that appear to be vices will bring him security and prosperity.

Generosity and parsimony

So, I say it would be splendid if one had a reputation for generosity; none the less if you do in fact earn a reputation for generosity you will come to grief. This is because if your generosity is good and sincere it may pass unnoticed and it will not save you from being reproached for its opposite. If you want to sustain a reputation for generosity, therefore, you have to be ostentatiously lavish; and a prince acting in that fashion will soon squander all his resources, only to be forced in the end, if he wants to maintain his reputation, to lay excessive burdens on the people, to impose extortionate taxes, and to do everything else he can to raise money. This will start to make his subjects hate him, and, since he will have impoverished himself, he will be generally despised. As a result, because of this generosity of his, having injured many and rewarded few, he will be vulnerable to the first minor setback.

So because a prince cannot practice the virtue of generosity, he should not mind being called a miser.

Someone may retort: there have been many princes who have won great successes with their armies, and who have had the reputation of being extremely generous. My reply to this is: the prince gives away what is his own or his subjects', or else what belongs to others. In the first case he should be frugal; in the second, he should indulge his generosity to the full. The prince who campaigns with his armies, who lives by pillaging, he must be open-handed, otherwise the soldiers would refuse to follow him. And you can be more liberal with what does not belong to you or your subjects, as Caesar, Cyrus, and Alexander were. Giving away what belongs to strangers in no way affects your standing at home; rather it increases it. You hurt yourself only when you give away what is your own. There is nothing so self-defeating as generosity: in the act of practicing it, you lose the ability to do so, and you become either poor and despised or, seeking to escape poverty, rapacious and hated.

Cruelty and compassion

Taking others of the qualities I enumerated above, I say that a prince must want to have a reputation for compassion rather than for cruelty: none the less, he must be careful that he does not make bad use of compassion. Cesare Borgia was accounted cruel; nevertheless, this cruelty of his reformed the Romagna, brought it unity, and restored order and obedience. So a prince must not worry if he incurs reproach for his cruelty so long as he keeps his subjects united and loyal. By making an example or two he will prove more compassionate than those who, being too compassionate, allow disorders which lead to murder and rapine. These nearly always harm the whole community, whereas executions ordered by a prince only affect individuals.

None the less, a prince must be slow to believe allegations and to take action, and must watch that he does not come to be afraid of his own shadow; his behaviour must be tempered by humanity and prudence so that over-confidence does not make him rash or excessive distrust make him unbearable.

From this arises the following question: whether it is better to be loved than feared, or the reverse. The answer is that one would like to be both the one and the other; but because it is difficult to combine them, it is far better to be feared than loved if you cannot be both. One can make this generalization about men: they are ungrateful, fickle, liars and deceivers, they

shun danger and are greedy for profit; while you treat them well, they are yours. They would shed their blood for you, risk their property, their lives, their sons, so long, as I said above, as danger is remote: but when you are in danger they turn away. Men worry less about doing an injury to one who makes himself loved than to one who makes himself feared. For love is secured by a bond of gratitude which men, wretched creatures that they are, break when it is to their advantage to do so; but fear is strengthened by a dread of punishment which is always effective.

However, when a prince is campaigning with his soldiers and in command of a large army then he need not worry about having a reputation for cruelty; because, without such a reputation, no army was ever kept united and disciplined. Among the admirable achievements of Hannibal is included this: that although he led a huge army, made up of countless different races, on foreign campaigns, there was never any dissensions, either among the troops themselves or against their leader, whether things were going well or badly. For this, his inhuman cruelty was wholly responsible. It was this, along with his countless other qualities, which made him feared and respected by his soldiers. If it had not been for his cruelty, his other qualities would not have been enough. The historians, having given little thought to this, on the one hand admire what Hannibal achieved, and on the other condemn what made his achievements possible.

How princes should honour their word

Everyone realizes how praiseworthy it is for a prince to honour his word and to be straightforward rather than crafty in his dealings; none the less contemporary experience shows that princes who have achieved great things have been those who have given their word lightly, who have known how to trick men with their cunning, and who, in the end, have overcome those abiding by honest principles.

You must understand, therefore, that there are two ways of fighting: by law or by force. The first way is natural to men, and the second to beasts. But as the first way often proves inadequate one must needs have recourse to the second. So a prince must understand how to make a nice use of the beast and the man. The ancient writers taught princes about this by an allegory, when they described how Achilles and many other princes of the ancient world were sent to be brought up by Chiron, the centaur, so that he might train them his way. All the allegory means, in making the teacher half beast and half man, is that a prince must know how to act according to the nature of both, and that he cannot survive otherwise.

So, as a prince is forced to know how to act like a beast, he must learn from the fox and the lion; because the lion is defenceless against traps and a fox is defenceless against wolves. Therefore one must be a fox in order to recognize traps, and a lion to frighten off wolves. Those who simply act like lions are stupid. So it follows that a prudent ruler cannot, and must not, honour his word when it places him at a disadvantage and when the reasons for which he made his promise no longer exist. If all men were good, this precept would not be good; but because men are wretched creatures who would not keep their word to you, you need not keep your word to them.

The need to avoid contempt and hatred

Now, having talked about the most important of the qualities enumerated above, I want to discuss the others briefly under this generalization: that the prince should, as I have already suggested, determine to avoid anything which will make him hated and despised. So long as

he does so, he will have done what he should and he will run no risk whatsoever if he is reproached for the other vices I mentioned. He will be hated above all if, as I said, he is rapacious and aggressive with regard to the property and the women of his subjects. He must refrain from these. As long as he does not rob the great majority of their property or their honour, they remain content. He then has to contend only with the ambition of a few, and that can be dealt with easily and in a variety of ways. He will be despised if he has a reputation for being fickle, frivolous, effeminate, cowardly, and irresolute; a prince should avoid this like the plague and strive to demonstrate in his actions grandeur, courage, sobriety, strength. When settling disputes between his subjects, he should ensure that his judgement is irrevocable; and he should be so regarded that no one ever dreams of trying to deceive or trick him.

The prince who succeeds in having himself thus regarded is highly esteemed; and against a man who is highly esteemed conspiracy is difficult, and open attack is difficult, provided he is recognized as a great man, who is respected by his subjects. There are two things a prince must fear: internal subversion from his subjects; and external aggression by foreign powers. Against the latter, his defence lies in being well armed and having good allies; and if he is well armed he will always have good allies..

One of the most powerful safeguards a prince can have against conspiracies is to avoid being hated by the populace. This is because the conspirator always thinks that by killing the prince he will satisfy the people; but if he thinks that he will outrage the people, he will never have the courage to go ahead with his enterprise, because there are countless obstacles in the path of a conspirator. As experience shows, there have been many conspiracies but few of them have achieved their end. This is because the conspirator needs others to help him, and those have to be men who, he believes, are disgruntled, but as soon as he reveals his mind to a man who is dissatisfied he gives him the means to get satisfaction, because by telling all he knows the latter can hope to obtain all he wants, Seeing the sure profit to be won by informing, and the highly dangerous and doubtful alternative, a man must be either a rare friend indeed or else an utterly relentless enemy of the prince to keep faith with you. To put it briefly, I say that on the side of the conspirator there is nothing except fear, envy, and the terrifying prospect of punishment; on the side of the prince there is the majesty of government, there are laws, the resources of his friends and of the state to protect him. Add to all these the goodwill of the people, and it is unthinkable that anyone should be so rash as to conspire.

I conclude, therefore, that when a prince has the goodwill of the people he must not worry about conspiracies; but when the people are hostile and regard him with hatred he must go in fear of everything and everyone. Well-organized states and wise princes have always taken great pains not to make the nobles despair, and to satisfy the people and keep them content; this is one of the most important tasks a prince must undertake.

Among kingdoms which are well organized and governed, in our own time, is that of France: it possesses countless valuable institutions, on which the king's freedom of action and security depend. The first of these is the parliament and its authority. For the lawgiver of the French kingdom, knowing the ambition and insolence of the powerful, judged it necessary that they should be restrained by having a bit in their mouths. On the other hand, he wanted to protect the masses, knowing how they feared, and therefore hated, the nobles. He did not want this to be the particular responsibility of the king, because he wished to save him from being reproached by the nobles for favouring the people and by the people for favouring the nobles. So he instituted an independent arbiter to crush the nobles and favour the weak,

without bringing reproach on the king. There could be no better or more sensible institution, nor one more effective in ensuring the security of the king and the kingdom.

From this can be drawn another noteworthy consideration: that princes should delegate to others the enactment of unpopular measures and keep in their own hands the means of winning favours. Again, I conclude that a prince should value the nobles, but not make himself hated by the people.

First, it is to be noted that whereas other princes have to contend only with the ambition of the nobles and the insolence of the people, the Roman emperors encountered a third difficulty: they had to contend with the cruelty and avarice of the soldiers. This was a hard task and it was responsible for downfall of many, since it was difficult to satisfy both the soldiers and the populace. The latter, being peace-loving, liked unadventurous emperors, while the soldiers loved a warlike ruler, and one who was arrogant, cruel, and rapacious. As a result, those emperors who did not have the natural authority or the standing to hold both the soldiers and the populace in check always come to grief.

How a prince must act to win honour

Nothing brings a prince more prestige than great campaigns and striking demonstrations of his personal abilities. In the event that someone accomplishes something exceptional, for good or evil, in civil life, he should be rewarded or punished in a way that sets everyone talking. Above all, in all his doings a prince must endeavour to win the reputation of being a great man of outstanding ability.

A prince also wins prestige for being a true friend or a true enemy, that is, for revealing himself without any reservation in favour of one side against another. This policy is always more advantageous than neutrality. For instance, if the powers neighbouring on you come to blows, either they are such that, if one of them conquers, you will be in danger, or they are not. In either case it will always be to your advantage to declare yourself and to wage a vigorous war; because, in the first case, if you do not declare yourself you will always be at the mercy of the conqueror, much to the pleasure and satisfaction of the one who has been beaten, and you will have no justification nor any way to obtain protection or refuge. The conqueror does not want doubtful friends who do not help him when he is in difficulties; the loser repudiates you because you were unwilling to go, arms in hand, and throw in your lot with him.

But when you boldly declare your support for one side, then if that side conquers, even though the victor is powerful and you are at his mercy, he is under an obligation to you and he has committed himself to friendly ties with you; and men are never so unprincipled as to deal harshly and ungratefully with you in this instance. If on the other hand your ally is defeated, he will shelter you; he will help you while he can, and you become associates whose joint fortunes may well change for the better. Now, in the second case, when the combatants are such that you need have no fear of the victor, there is all the more reason to support one side or the other. In this way you help destroy one combatant with the help of the other, who would be helping him himself if he were wise.

Here it is to be noted that a prince should never join in an aggressive alliance with someone more powerful than himself, unless it is a matter of necessity, as I said above. This is because if you are the victors, you emerge as his prisoner; and princes should do their utmost to escape being at the mercy of others.

A prince should also show his esteem for talent, actively encouraging able men, and honouring those who excel in their profession. Then he must encourage his citizens so that they can go peaceably about their business, whether it be is trade or agriculture or any other human occupation. One man should not be afraid of improving his possessions, lest they be taken away from him, or another deterred by high taxes from starting a new business. Rather, the prince should be ready to reward men who want to do these things and anyone who endeavours in any way to increase the prosperity of his city or his state. As well as this, at suitable times of they year he should entertain the people with shows and festivities. And since every city is divided into guilds or family groups, he should pay attention to these, meet them from time to time, and give an example of courtesy and munificence, while all the time, none the less, fully maintaining the dignity of his position, because this should never be wanting in anything.

How flatterers must be shunned

There is one important subject I do not want to pass over, the mistake which princes can only with difficulty avoid making if they are not extremely prudent or do not choose their ministers well. I am referring to flatterers, who swarm in the courts. Men are so happily absorbed in their own affairs and indulge in such self-deception that it is difficult for them not to fall victim to this plague; and some efforts to protect oneself from flatterers involve the risk of becoming despised. This is because the only way to safeguard yourself against flatterers is by letting people understand that you are not offended by the truth; but if everyone can speak the truth to you then you lose respect. So a shrewd prince should adopt a middle way, choosing wise men for this government and allowing only those the freedom to speak the truth to him, and then only concerning matters on which he asks their opinion, and nothing else. But he should also question them thoroughly and listen to what they say; then he should make up his own mind, by himself. And his attitude towards his councils and towards each one of his advisers should be such that they will recognize that the more freely they speak out the more acceptable they will be. Apart from these, the prince should heed no one, he should put the policy agreed upon into effect straight away, and he should adhere to it rigidly. Anyone who does not do this is ruined by flatterers or is constantly changing his mind because of conflicting advice: as a result he is held in low esteem.

Why the Italian princes have lost their states

Let us consider those Italian rulers, such as the king of Naples, the duke of Milan, and so forth who have lost theirs states in our own times. If we do so, we shall find that they shared, first a common weakness in regard to their military organizations. Then, it will be found that some of them incurred the hostility of the peoples or, if they had the people on their side, they did not know how to keep the allegiance of the nobles. If they are not undermined in one of these ways, states which are robust enough to keep an army in the filed cannot be lost.

So these princes of ours, whose power had been established many years, may not blame, because, having never imagined when times were quiet that they could change (and this is a common failing of mankind, never to anticipate a storm when the seas is calm), when adversity came their first thoughts were of flight and not of resistance. They hoped that the people, revolted by the outrages of the conqueror, would recall them. We do not find men falling down just because they expect to find someone helping them up. It may not happen; and, if it does happen, it leaves you unsafe because your expedient was cowardly and not

based on your own actions. The only sound, sure and enduring methods of defence are those based on your own actions and prowess.

How far human affairs are governed by fortune, and how fortune can be opposed

I am not unaware that many have held and hold the opinion that events are controlled by fortune and by God in such a way that the prudence of men cannot modify them, indeed, that men have no influence whatsoever. Because of this, they would conclude that there is no point in sweating over things, but that one should submit to the rulings of chance.

None the less, so as not to rule out our free will, I believe that it is probably true that fortune is the arbiter of half the things we do, leaving the other half or so to be controlled by ourselves. I compare fortune to one of those violent rivers which, when they are enraged, flood the plains, tear down trees and buildings, wash soil from one place to deposit it in another. Everyone flees before them, everybody yields to their impetus, there is no possibility of resistance. Yet although such is their nature, it does not follow that when they are flowing quietly one cannot take precautions, constructing dykes and embankments so that when the river is in flood they would keep to one channel or their impetus be less wild and dangerous. So it is with fortune. She shows her potency where there is no well-regulated power to resist her, and her impetus is felt where she knows there are no embankments and dykes built to restrain her. If you consider Italy, the theatre of those changes and variations I mentioned, which first appeared here, you will see that she is a country without embankments and without dykes.

I say that we see that some princes flourish one day and come to grief the next, without appearing to have changed in character or any other way. This I believe arises, first, for the reasons discussed at length earlier on, namely, that those princes who are utterly dependent on fortune come to grief when their fortune changes. I also believe that the one who adapts his policy to the times prospers, and likewise that the one whose policy clashes with the demands of the times does not. It can be observed that men use various methods in pursuing their own personal objectives, that is glory and riches. One man proceeds with circumspection, another impetuously; one uses violence, another stratagem; one man goes about things patiently, another does the opposite; and yet everyone, for all this diversity of method, can reach his objective. It can also be observed that with two circumspect men, one will achieve his end, the other not; and likewise two men succeed equally well with different methods, one of the being circumspect and the other impetuous. This also explains why prosperity is ephemeral; because if a man behaves with patience and circumspection and the time and circumstances are such that this method is called for, he will prosper; but if time and circumstances change he will be ruined because he does not change his policy. Nor do we find any man shrewd enough to know how to adapt his policy in this way: either because he cannot do otherwise than what is in character or because, having always prospered by proceeding one way, he cannot persuade himself to change. Thus a man who is circumspect, when circumstances demand impetuous behaviour, is unequal to the task, and so he comes to grief. If he changed his character according to the time and circumstances, then his fortune would not change.

I conclude, therefore, that as fortune is changeable whereas men are obstinate in their ways, men prosper so long as fortune and policy are in accord, and when there is a clash they fail. I hold strongly to this: that it is better to be impetuous than circumspect; because fortune is a woman and if she is to be submissive it is necessary to beat and coerce her. Experience shows that she is more often subdued by men who do this than by those who act coldly.

Max Weber on Charisma, Bureaucratic and Traditional Leadership

About Weber - Max Weber was born 1864 and died 1920. Weber asks how is it a leader can "legitimately" give a command and have actions carried out? He answered the question by classifying claims to the "legitimacy" in the exercise of authority. Except for slavery, people entered into one of three kinds of leader/follower relations (see below). This is an ideal type model, where Weber lays out each ideal type, but also shows how his inductive observations lead him to believe that they occur in combination (such as a mixture of charismatic and bureaucratic and traditional components of authority and leadership).

- **Bureaucratic** - resting on a belief in the 'legality' of patterns of normative rules and the right of those elevated to authority under such rules to issue commands (legal authority). The ideal (pure abstract) type of bureaucracy is free of transaction negotiation and bargaining for resources and power, but what Weber terms the "monocratic" and "modern" (capitalistic) types are much more transactional. The bureaucratic type of leadership operates in a transaction economy.
 - The leader is subject to strict and systematic discipline and control.
 - Claims to obedience based on rational values and rules and established by agreement (or imposition). The office holder is restricted to impersonal official obligations and commands.
 - Consistent system of abstract rules to apply to particular cases and governing the limits laid down on the corporate group.
 - There is a clearly defined hierarchy of offices. Persons exercise the authority of their office and are subject to an impersonal order; officials, not persons exercise authority.
 - Salary scales are graded according to rank in the hierarchy.
 - There is a system of promotion based upon seniority or achievement (dependent on judgment of superiors).
 - Person does not owe obedience to the individual, but to the impersonal order.
 - Sometimes administrative heads are elected. But in the pure form, the hierarchy is dominated by the principle of appointment. Appointment by free selection and free contract is essential to modern bureaucracy.
 - Administrative acts, decisions, and rules are formulated and recorded in writing.
 - At the top of the business corporation is a position that is not purely bureaucratic. It is more the position of a monarch
 - Advantages: Capable of attaining the highest degree of efficiency. The corporate control over coercive leaders. Favors the leveling of social classes.
 - Disadvantages: Powerful interests and coalitions turn the organization into feudal kingdoms. Formalistic spirit of impersonality that stunts enthusiasm and passion; Duty over personal considerations.

- **Traditional** - resting on an established belief in the sanctity of immemorial traditions and the legitimacy of the status of those exercising authority under them (traditional authority).
 - Legitimacy and power to control is handed down from the past. This power can be exercised in quite arbitrary ways (Chief can declare himself above the jurisdiction of the court).
 - Office held by virtue of traditional status and be recruiting favorites or by patrimony.
 - Obligations are not by office but personal loyalty to the chief. Contracts of fealty.
 - Promotion is by the arbitrary grace of the chief (no technical training of skill required).

- Commands are legitimized by traditions
 - Obligations of obedience on the basis of personal loyalty (kinship, slaves, or dependents).
 - Chief is free to confer or withhold his personal pleasure or displeasure according to personal likes and dislikes that can be arbitrary.
 - The traditional exercise of authority is only limited by resistance aroused in the subjects. Or, but pointing to a failure to act according to the traditions.
 - Vassals are sorts of favorite people of the chief. This is termed Sultanism (the organization responds to arbitrariness and irrationality, rather than to the rationality of economic activity).
- **Charismatic (the Hero)** - resting on devotion to the specific and exceptional sanctity, heroism or exemplary character of an individual person, and of the normative patterns or order revealed or ordained by him (Charismatic authority).
 - Charismatically qualified leader is obeyed by virtue of personal trust in him and his revelation, their heroism or exemplary qualities so far as they fall within the scope of the individual's belief in his charisma.
 - The words mission and spiritual duty are used a lot, as are words like heroic warrior, prophet, and visionary.
 - Charisma regarded as of divine origin, the person is treated as a leader.
 - Hero worship. Heroism begins with proof of charismatic qualification. The hero must fight, and must be successful in bringing benefit to followers, or charismatic authority will disappear. Acts of misfortune can be signs that the 'gift' has been withdrawn by the gods.
 - Deference to heroes in a war, leaders of a hunt, people of legal wisdom or a shaman, founders of religions such as Mormonism (Joseph Smith) or Christianity (Christ) or Islam (Muhammad).
 - "What is alone important is how the individual is actually regarded by those subject to charismatic authority, but his 'followers' or 'disciples'.
 - Set apart from ordinary people and endowed with supernatural and superhuman powers and abilities.
 - One type of charisma is a hereditary monarchy; Another is patriarchal authority. A third is religious charismatic. A fourth is the military hero.
 - Charismatic leaders choose members not for technical training, but on the basis of social privilege and the charismatic qualities of disciples. People are not promoted, they are only called or summoned on the basis of their charismatic qualification.
 - Followers live in communistic relationship with their leaders on means provided as voluntary gifts.
 - There is no system of formal rules. The only basis of authority is personal charisma.
 - The leader preaches, creates, or demands new obligations. There are revelations and then there is the leader's will to power (Nietzsche).
 - Charismatic authority repudiates the past and is in this sense a revolutionary force (in contrast to traditional authority).
 - Charisma can not be taught, learned or acquired in discipleship. Charisma can only be tested for.

Understanding Power (by French & Raven)

Power is the capacity to influence others who are in a state of dependence. Several points about this definition deserve elaboration. First, notice that power is the capacity to influence the behavior of others. Second, the fact that the target of power is dependent upon the power holder does not imply that a poor relationship exists between the two. For instance, your best friend has power to influence your behavior and attitudes because you are dependent upon him or her for friendly reactions and social support. Presumably you can exert reciprocal influence for similar reasons. Third, power can flow in any direction in an organization. Often, members at higher organizational levels have more power than those at lower levels. However, in specific cases, reversals can occur. For example, the janitor who finds the president in a compromising position with a secretary might find himself in a powerful position if the president wishes to maintain his reputation in the organization! Finally, power is a broad concept that applies to both individuals and groups, on one hand, an individual production manager might exert considerable influence over the supervisors who report to her. On the other, the marketing department at XYZ Foods might be the most powerful department in the company able to get its way more often than other departments. But from where do the production manager and the marketing department obtain their power? We explore this issue in the following sections, we consider individual bases of power then we examine how organizational sub-units, such as the marketing department, obtain power.

The bases individual power

If you wanted to marshal some power to influence others in your organization, where would you get it? As psychologists John French and Bertram Raven explained, power can be found in the position that you occupy in the organization or the resources that you are able to command. The first base of power, legitimate power, is dependent upon one's position or job. The other bases (reward, coercive, referent, and expert power) involve the control of important resources. If other organizational members do not respect your position or value the resources that you command, they will not be dependent on you, and you will lack power to influence them.

Legitimate Power

Legitimate power derives from a person's position or job in the organization, It constitutes the organization's judgment about who is formally permitted to influence whom, and it is often called authority, As we move up the organization's hierarchy, we find that members possess more and more legitimate power. In theory, organizational equals (e.g., all vice-presidents) have equal legitimate power. Of course, some people are more likely than others to invoke their legitimate power "Look, I'm the boss around here." Organizations differ greatly in the extent to which they emphasize and reinforce legitimate power. At one extreme is the U.S. Army, which has many levels of command, differentiating uniforms, and rituals (e.g., salutes), all designed to emphasize legitimate power. On the other hand, the academic hierarchy of universities tends to downplay differences in the legitimate power of lecturers, professors, chairpeople, and deans. When legitimate power works, it often does so because people have been socialized to accept its influence. Experiences with parents, teachers, and law enforcement officials cause members to enter organizations with a degree of readiness to submit to (and exercise) legitimate power. In fact, studies consistently show that employees cite legitimate power as a major reason for loving their boss's directives, even across various cultures.

Reward Power

Reward power means that the powerholder can exert influence by providing positive outcomes and preventing negative outcomes. In general, it corresponds to the concept of positive reinforcement. Reward power often backs up legitimate power. That is, managers and supervisors are given the chance to recommend raises, do performance evaluations, and assign preferred tasks to subordinates. Of course, any organizational member can attempt to exert influence over others with praise, compliments, and flattery which also constitute rewards.

Coercive Power

Coercive power is available when the powerholder can exert influence using punishment and threat. Like reward power, it is often a support for legitimate power. Supervisors and managers might be permitted to dock pay, assign unfavorable tasks, or block promotions. Despite a strong civil service system, even U.S. government agencies provide their executives with plenty of coercive power. Some agencies have a Siberia - an unpleasant or professionally unproductive duty station, to which rebellious employees may be reassigned. Faced with Siberia, an employee may, of course, resign, but even if he accepts exile, he is effectively removed from the position in which he caused difficulty. "You'd be surprised how many resignations we had when people discovered they had been reassigned to Anchorage," said one former Federal Aeronautics Administration official. Of course, coercive power is not perfectly correlated with legitimate power. Lower-level organizational members can also apply their share of coercion. For example, consider work-to-rule campaigns that slow productivity by adhering religiously to organizational procedures. Cohesive work groups especially skillful at enforcing such campaigns. We pointed out that the use of punishment to control behavior is very problematic because of emotional side effects. Thus, it is not surprising that when managers use coercive power it is generally ineffective and can provoke considerable employee resistance. (Mitsubishi plant was imposing lots of coercive power to its employees.)

Referent Power

Referent power exists when the powerholder is well liked by others. It is not surprising that people we like readily influence us. We are prone to consider their points of view, ignore their failures, seek their approval, and use them as role models. In fact, it is often highly dissonant to hold a point of view that is discrepant from that held by someone we like.

Referent power is especially potent for two reasons. First, it stems from identification with the powerholder. Thus, it represents a truer or deeper base of power than reward or coercion, which may stimulate mere compliance to achieve rewards or avoid punishment. In this sense, charismatic leaders have referent power. Second, anyone in the organization may be well liked, irrespective of his or her other bases of power. Thus, referent power is available to everyone from the janitor to the president.

Friendly interpersonal relations often permit influence to extend across the organization, outside of the usual channels of legitimate authority, reward, and coercion. For example, a production manager who becomes friendly with the design engineer through participation in a task force might later use this contact to ask for a favor in solving a production problem.

Expert Power

A person has expert power when he or she has special information or expertise that the organization values. In any circumstance, we tend to be influenced by experts or by those who perform their jobs well. However, the more crucial and unusual this expertise, the greater the expert power available. Thus, expert power corresponds to difficulty of replacement. Expert power is a valuable asset for managers. Of all the bases of power, expertise is most consistently associated with subordinate effectiveness.

Influence Tactics – Putting Power to Work

As we discussed earlier, power is the potential to influence others. But exactly how does power result in influence? Research has shown that various influence tactics convert power into actual influence. These are specific behaviors that power holders use to affect others. These tactics include the following:

- Assertiveness ordering, nagging, setting deadlines, and verbal confrontation;
- Ingratiation using flattery and acting friendly, polite, or humble;
- Rationality using logic, reason, planning, and compromise;
- Exchange doing favors or offering to trade favors;
- Upward appeal making formal or informal appeals to organizational superiors for intervention;
- Coalition formation seeking united support from other organizational members .

What determines which influence tactics you might use? For one thing, your bases of power. Other things equal, someone with coercive power might gravitate toward assertiveness, someone with referent power might gravitate toward ingratiation, and someone with expert power might try rationality. Of course, rationality or its appearance is a highly prized quality in organizations and its use is viewed positively by others. Thus, surveys show that people report trying to use rationality very frequently. As you can guess, the use of influence tactics is also dependent upon just whom you are trying to influence subordinates, peers, or superiors. Subordinates are more likely to be the recipients of assertiveness than peers or superiors. Despite the general popularity of rationality, it is most likely to be directed toward superiors. Exchange, ingratiation, and upward appeal are favored tactics for influencing both peers and subordinates.

Which influence tactics are most effective? Some of the most interesting research has concerned upward influence attempts directed toward superiors. It shows that, at least for men, using rationality as an influence tactic was associated with receiving better performance evaluations, earning more money, and experiencing less work stress. A particularly ineffective influence style is a "shotgun" style that is high on all tactics with particular emphasis on assertiveness and exchange. In this series of studies, women who used ingratiation as an influence tactic received the highest performance evaluations (from male managers).

Mintzberg's Political Games

Henry Mintzberg is one of the main business gurus, in particular in the realm of strategy. He described a set of political games. Note how most of these are about building power in various areas, and how more than one game can be going on at the same time and with the same people.

The games

Insurgency game

Revolution from the bottom. Much beloved of Trades Unions and those who feel the weight of authority. Often has a transactional child -> parent basis.

Counter-insurgency game

Play by the authorities as they fight back against insurgents. Very much a parent -> child basis. Between them they play many other games within this field, such as 'Catch me if you can', Blame games and the 'Poor me' game.

Sponsorship game

Building power through attaching oneself to those who can help you in the future. The general deal is that the lower-down people get to be able to call on the higher-up people, who in turn have a loyal servant who keeps their ears to the ground and so on.

Alliance-building game

Building power through peer networks. Note how this is played horizontally through the organization vs. the vertical game of Sponsorship.

Empire-building game

Played particularly by managers on their way up the organization, building their power base. Internal competition then is between complete fiefdoms rather than individuals. This is very useful if you are playing a war game.

Budgeting game

Budgeting often has a clear rules and this game is about getting the most money you can, typically by asking for too much with the knowledge that you will get only a part of what you asked for. More than any other game, this is zero-sum, because when I get the money, you don't.

Expertise game

This is played by people with expert power, where they manage their knowledge and skills more for their own gain than for that of the company. For example, they will only give out information or help those who can help them back in the future. Thus it can be played together with other games.

Lording game

This is played with the power of one's position, for example where a senior manager assembles his staff and makes pronouncements, sending them off to do his or her bidding (which may, of course, not be in the interests of the company).

Line vs. staff game

This is the game between line managers who are faced with the day-to-day working of the organization and the staff advisors who seek for example to spread best practices and common working procedures. The staff often have no direct authority, which allows the line managers to refuse or resist.

Rival camps game

When Empire-building turns into an us-vs-them game, typically when there are two main camps, then it can turn into all-out war. This often happens between departments, such as manufacturing and research, marketing and sales, etc. where there are different expertise, goals and interests and it is easy to point the finger over the fence.

Strategic candidates game

This happens when there are possible plans in the offing and groups of people cluster around these ideas. In a way, it is the ideas that are fighting one another.

Whistle-blowing game

This is where an insider leaks information (perhaps to the press) or when somebody names the 'dead elephant' in the middle of the table. When the emperor is told that he has no clothes, it is normal that he fights back, so this is a dangerous game to play and can be done due to morals, naivety or with specific political intent, such as to discredit a rival.

Young Turks game

This is often played as the 'thrusting young men' game where testosterone rules and aggression is the major tool. It also appears in leadership challenges and attempts to change strategic direction.

So what?

If you are in organizations where these are going on, you can play to win or get out of the game. The first task, as ever, is to spot what is going on so you can make these choices.