**Power**

**Power** is the ability to exert influence on other people. In an organization manager exert power on subordinates. Again subordinates can also exert power on his boss by useful suggestions.

***Five bases of power***

* **Reward power**

It is based on the ability of one person to reward other person for carrying out orders. Ex. Power of a supervisor to assign work tasks to employees.

* **Coercive power**

It is based on the ability of one person to punish another for not carrying out orders or meeting performance requirements.

* **Legitimate power (formal authority)**

It exists when influencee acknowledges that influencer has a “right” or is lawfully entitled to exert power within certain bounds. Ex. Guard can require ID even from the president.

* **Expert power**

Based on the belief or perception that influencer has some special knowledge that influencee doesn’t have. Doctor poses expert power.

* **Referent power**

Which may be held by a person or a group, is based on the influencee’s desire to identify with or imitate the influencer. Ex. Popular leader.

**Authority**

**Authority** is a form of power, specially, formal authority is legitimate power. Authority is often used more broadly to refer to a person’s ability to exert power as a result of qualities such as knowledge or titles such as judge.

***View of formal authority***

|  |  |
| --- | --- |
| **Classical view:** Management has the right to give lawful order and employees have an obligation to obey. | **Acceptance view:** Not all legitimate orders or commands are obeyed at all circumstances. Receiver decides whether to comply or not. |

***Formal Authority***

**Formal authority** is the type of power that is associated with organizational structure and management. Chester I. Barnerd defined some conditions under which one will comply with the command of higher authority:

* + He can understand the command.
	+ At the time of decision he believes that, it is not inconsistent with the purpose of the organization.
	+ At the time of decision he believes that, it is compatible with his personal interest.
	+ He is physically and mentally able to comply with it.

**Types of authority**

* **Line authority**

Managers with line authority are those people in the organization who are directly responsible to achieve organizational goals. It is based on legitimate power.

* **Staff authority**

People or groups with Staff authority provide service and advice to line managers. It is based on expert power.

* **Functional authority**

This right to control the activity of other department is called functional authority, as they relate to specific staff responsibilities. Staff members lack formal authority.

President

Assistant to the president

Vice President

South Asia

Vice President

Middle East

General Manager

Plant A

General Manager

Plant B

General Manager

Plant A

General Manager

Plant B

Assistant

Assistant

Line and Staff Authority

President

Vice President

Finance

Vice President

Production

General Manager

Division A

General Manager

Division Plant C

General Manager

Division Plant B

Finance

Manager

Personnel Manager

Production Manager

Marketing Manager

Functional Authority

**Delegation**

**Delegation** is the act of assigning formal authority and responsibility to the subordinate to carry out specific activity.

***Advantages of Delegation***

* + The more tasks the manager delegate the **more opportunity** they have to seek higher responsibilities.
	+ Delegation cause employee to **accept accountability** and exercise judgment.
	+ Delegation not only helps to train them but also **improves their self confidence and willingness** to take initiative.
	+ Delegation leads **to better decision making** as employee have clear view of the fact.
	+ Effective delegation **speeds up decision making process** because delay is eliminated when employee is authorized to take necessary steps.

**Barriers to delegation (see in more details from book)**

Managers can be reluctant to delegate authority because he is

* Too inflexible or disorganized to delegate power to employees
* Feeling insecured or confused about –who willed be responsible for a failed task – he or the employee to whom he delegated power
* Afraid that if he delegates power ,it will reduce his own authority.

**Prerequisite for effective delegation**

* Willingness of manager
	+ - Give employee freedom
		- Let them choose methods that is different than his
		- Give freedom to make mistakes
		- Mistakes are not viewed as excuse to stop delegation
		- Opportunity to offer training
* Open communication between employee and manager
	+ - Manager need to know the capabilities of employee
		- Manager need to encourage their ability and back them up
* Manager’s ability to analyze and understand the factors
	+ - Organizational goal
		- Capability of employee
		- Task’s requirements

***Steps of delegation***

1. Decide Which task can be delegated
2. Decide who should get the assignment
3. Provide sufficient resource to carry out delegated tasks
4. Delegating the assignment
5. Be prepared to run interference if necessary
6. Establish a feedback system