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Power and politics in organizational life

*How the limitations of businessmen,
in their cognitive and emotional capacities,
play a major role in decision making*

Foreword

The competition for power is characteristic of all political structures. And, whatever else they may be, business organizations are political structures in that they provide both a base for the development of executive careers and a platform for the expression of individual interests and motives. People in positions of authority, however, "differ from 'ordinary' humans," says this author, "in that they have the capacity to

impose their personal defenses onto the stage of corporate life. Fortunately, the relationships are susceptible to intelligent management," and it is to the nature of this intelligence that the discussion is devoted.

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There are few business activities more prone to a credibility gap than the way in which executives approach organizational life. A sense of disbelief occurs when managers purport to make decisions in rationalistic terms while most observers and participants know that personalities and politics play a significant if not an over-

riding role. Where does the error lie? In the theory which insists that decisions should be rationalistic and nonpersonal? Or in the practice which treats business organizations as political structures?

Whatever else organizations may be (problem-solving instruments, sociotechnical systems,

reward systems, and so on), they are political structures. This means that organizations operate by distributing authority and setting a stage for the exercise of power. It is no wonder, therefore, that individuals who are highly motivated to secure and use power find a familiar and hospitable environment in business.

At the same time, executives are reluctant to acknowledge the place of power both in individual motivation and in organizational relationships. Somehow, power and politics are dirty words. And in linking these words to the play of personalities in organizations, some managers withdraw into the safety of organizational logics.

As I shall suggest in this article, frank recognition of the importance of personality factors and a sensitive use of the strengths and limitations of people in decisions on power distributions can improve the quality of organizational life.

Political pyramid

Organizations provide a power base for individuals. From a purely economic standpoint, organizations exist to create a surplus of income over costs by meeting needs in the marketplace. But organizations also are political structures which provide opportunities for people to develop careers and therefore provide platforms for the expression of individual interests and motives. The development of careers, particularly at high managerial and professional levels, depends on accumulation of power as the vehicle for transforming individual interests into activities which influence other people.

Scarcity & competition

A political pyramid exists when people compete for power in an economy of scarcity. In other words, people cannot get the power they want just for the asking. Instead, they have to enter into the decisions on how to distribute authority in a particular formal organization structure. Scarcity of power arises under two sets of conditions:

1. Where individuals gain power in absolute terms at someone else's expense.
2. Where there is a gain comparatively—not literally at someone else's expense—resulting in a relative shift in the distribution of power.

1. See my article, "The Management of Disappointment," HBR November-December 1967, p. 59.

In either case, the psychology of scarcity and comparison takes over. The human being tends to make comparisons as a basis for his sense of self-esteem. He may compare himself with other people and decide that his absolute loss or the shift in proportional shares of authority reflects an attrition in his power base. He may also compare his position relative to others against a personal standard and feel a sense of loss. This tendency to compare is deeply ingrained in people, especially since they experience early in life the effects of comparisons in the family where—in an absolute sense—time and attention, if not love and affection, go to the most dependent member.

Corporate acquisitions and mergers illustrate the effects of both types of comparisons. In the case of one merger, the president of the acquired company resigned rather than accept the relative displacement in rank which occurred when he no longer could act as a chief executive officer. Two vice presidents vied for the position of executive vice president. Because of their conflicting ambitions, the expedient of making them equals drove the competition underground, but not for long. The vice president with the weaker power base soon resigned in the face of his inability to consolidate a workable definition of his responsibilities. His departure resulted in increased power for the remaining vice president and the gradual elimination of "rival camps" which had been covertly identified with the main contenders for power.

The fact that organizations are pyramids produces a scarcity of positions the higher one moves in the hierarchy. This scarcity, coupled with inequalities, certainly needs to be recognized. While it may be humane and socially desirable to say that people are different rather than unequal in their potential, nevertheless executive talent is in short supply. The end result should be to move the more able people into the top positions and to accord them the pay, responsibility, and authority to match their potential.

On the other side, the strong desires of equally able people for the few top positions available means that someone will either have to face the realization of unfulfilled ambition or have to shift his interest to another organization.¹

Constituents & clients

Besides the conditions of scarcity and competition, politics in organizations grows out of the

existence of constituencies. A superior may be content himself with shifts in the allocation of resources and consequently power, but he represents subordinates who, for their own reasons, may be unhappy with the changes. These subordinates affirm and support their boss. They can also withdraw affirmation and support, and consequently isolate the superior with all the painful consequences this entails.

While appointments to positions come from above, affirmation of position comes from be-



low. The only difference between party and organizational politics is in the subtlety of the voting procedure. Consider:

□ In a large consumer products corporation, one division received almost no capital funds for expansion while another division, which had developed a new marketing approach for products common to both, expanded dramatically. The head of the static division found his power diminished considerably, as reflected in how seriously his subordinates took his efforts at influence (e.g., in programs to increase the profit return from existing volume).

He initiated one program after another with little support from subordinates because he could not make a claim for capital funds. The flow of capital funds in this corporation provided a measure of power gains and losses in both an absolute and a relative sense.

Power & action

Still another factor which heightens the competition for power that is characteristic of all political structures is the incessant need to use

whatever power one possesses. Corporations have an implicit "banking" system in power transactions. The initial "capitalization" which makes up an individual's power base consists of three elements:

1. The quantity of formal authority vested in his position relative to other positions.

2. The authority vested in his expertise and reputation for competence (a factor weighted by how important the expertise is for the growth areas of the corporation as against the historically stable areas of its business).

3. The attractiveness of his personality to others (a combination of respect for him as well as liking, although these two sources of attraction are often in conflict).

This capitalization of power reflects the total esteem with which others regard the individual. By a process which is still not too clear, the individual internalizes all of the sources of power capital in a manner parallel to the way he develops a sense of self-esteem. The individual knows he has power, assesses it realistically, and is willing to risk his personal esteem to influence others.

A critical element here is the risk in the uses of power. The individual must perform *and* get results. If he fails to do either, an attrition occurs in his power base in direct proportion to the doubts other people entertained in their earlier appraisals of him.

What occurs here is an erosion of confidence which ultimately leads the individual to doubt himself and undermines the psychological work which led him in the first place to internalize authority as a prelude to action. (While, as I have suggested, the psychological work that an individual goes through to consolidate his esteem capital is a crucial aspect of power relations, I shall have to reserve careful examination of this problem until a later date. The objective now is to examine from a political framework the problems of organizational life.)

What distinguishes alterations in the authority structure from other types of organizational change is their direct confrontation with the political character of corporate life. Such confrontations are real manipulations of power as compared with the indirect approaches which play on ideologies and attitudes. In the first case, the potency and reality of shifts in authority have an instantaneous effect on what people do, how they interact, and how they think about themselves. In the second case, the shifts

in attitude are often based on the willingness of people to respond the way authority figures want them to; ordinarily, however, these shifts in attitude are but temporary expressions of compliance.

One of the most common errors executives make is to confuse compliance with commitment. Compliance is an attitude of acceptance when a directive from an authority figure asks for a change in an individual's position, activities, or ideas. The individual complies or "goes along" usually because he is indifferent to the scope of the directive and the changes it proposes. If compliance occurs out of indifference, then one can predict little difficulty in translating the intent of directives into actual implementation.²

Commitment, on the other hand, represents a strong motivation on the part of an individual to adopt or resist the intent of a directive. If the individual commits himself to a change, then he will use his ingenuity to interpret and implement the change in such a way as to assure its success. If he decides to fight or block the change, the individual may act as if he complies but reserve other times and places to negate the effects of directives. For example:

□ In one large company, the top management met regularly for purposes of organizational planning. The executives responsible for implementing planning decisions could usually be counted on to carry them out when they had fought hard and openly in the course of reaching such decisions. When they seemed to accept a decision, giving all signs of compliance, the decision usually ended up as a notation in the minutes. Surface compliance occurred most frequently when problems involved loyalties to subordinates.

In one instance, a division head agreed to accept a highly regarded executive from another division to meet a serious manpower shortage in his organization. When the time came to effect the transfer, however, this division general manager refused, with some justification, on the grounds that bringing someone in from outside would demoralize his staff. He used compliance initially to respond to the problem of "family" loyalties to which he felt committed. Needless to say, the existence of these loyalties was the major problem to be faced in carrying out organizational planning.

Compliance as a tactic to avoid changes and commitment as an expression of strong motiva-

tion in dealing with organizational problems are in turn related to how individuals define their interests. In the power relations among executives, the so-called areas of common interest are usually reserved for the banalities of human relationships. The more significant areas of attention usually force conflicts of interest, especially competition for power, to the surface.

Interest conflicts

Organizations demand, on the one hand, cooperative endeavor and commitment to common purposes. The realities of experience in organizations, on the other hand, show that conflicts of interest exist among people who ultimately share a common fate and are supposed to work together. What makes business more political and less ideological and rationalistic is the overriding importance of conflicts of interest.

If an individual (or group) is told that his job scope is reduced in either absolute or proportional terms for *the good of the corporation*, he faces a conflict. Should he acquiesce for the idea of common good or fight in the service of his self-interest? Any rational man will fight (how constructively depends on the absence of neurotic conflicts and on ego strength). His willingness to fight increases as he comes to realize the intangible nature of what people think is good for the organization. And, in point of fact, his willingness may serve the interests of corporate purpose by highlighting issues and stimulating careful thinking before the reaching of final decisions.

Secondary effects

Conflicts of interest in the competition for resources are easily recognized, as for example, in capital budgeting or in allocating money for research and development. But these conflicts can be subjected to bargaining procedures which all parties to the competition validate by their participation.

The secondary effects of bargaining do involve organizational and power issues. However, the fact that these power issues *follow* debate on economic problems rather than *lead* it creates a manifest content which can be objectified much more readily than in areas where the pri-

2. See Chester Barnard, *The Function of the Executive* (Cambridge, Harvard University Press, 1938), p. 167.

mary considerations are the distributions of authority.

In such cases, which include developing a new formal organization structure, management succession, promotions, corporate mergers, and entry of new executives, the conflicts of interest are severe and direct simply because there are no objective measures of right or wrong courses of action. The critical question which has to be answered in specific actions is: Who gets power and position? This involves particular people with their strengths and weaknesses and a specific historical context in which actions are understood in symbolic as well as rational terms. To illustrate:

□ A large corporation, General Motors in fact, inadvertently confirmed what every seasoned executive knows: that coalitions of power to overcome feelings of rivalry and the play of personal ambitions are fragile solutions. The appointment of Edward Cole to the presidency followed by Semon Knudsen's resignation shattered the illusion that the rational processes in business stand apart or even dominate the human emotions and ties that bind men to one another. If any corporation prides itself on rationality, General Motors is it. To have to experience so publicly the inference that major corporate life, particularly at the executive levels, is not so rational after all, can be damaging to the sense of security people get from belief in an idea as it is embodied in a corporate image.

The fact that Knudsen subsequently was discharged from the presidency of Ford (an event I shall discuss later in this article) suggests that personalities and the politics of corporations are less aberrations and more conditions of life in large organizations.

But just as General Motors wants to maintain an image, many executives prefer to ignore what this illustration suggests: that organizations are political structures which feed on the psychology of comparison. To know something about the psychology of comparison takes us into the theory of self-esteem in both its conscious manifestations and its unconscious origins. Besides possibly enlightening us in general and giving a more realistic picture of people and organizations, there are some practical benefits in such knowledge. These benefits include:

○ Increased freedom to act more directly; instead of trying to "get around" a problem, one can meet it.

○ Greater objectivity about people's strengths

and limitations, and, therefore, the ability to use them more honestly as well as effectively.

○ More effective planning in organizational design and in distribution of authority; instead of searching for the "one best solution" in organization structure, one accepts a range of alternatives and then gives priority to the personal or emotional concerns that inhibit action.

Power relations

Organizational life within a political frame is a series of contradictions. It is an exercise in rationality, but its energy comes from the ideas in the minds of power figures the content of which, as well as their origins, are only dimly perceived. It deals with sources of authority and their distribution; yet it depends in the first place on the existence of a balance of power in the hands of an individual who initiates actions and gets results. It has many rituals associated with it, such as participation, democratization, and the sharing of power; yet the real outcome is the consolidation of power around a central figure to whom other individuals make emotional attachments.

Faulty coalitions

The formal organization structure implements a coalition among key executives. The forms differ, and the psychological significance of various coalitions also differs. But no organization can function without a consolidation of power in the relationship of a central figure with his select group. The coalition need not exist between the chief executive and his immediate subordinates or staff. It may indeed bypass the second level as in the case of Presidents of the United States who do not build confident relationships within their cabinets, but instead rely on members of the executive staff or on selected individuals outside the formal apparatus.

The failure to establish a coalition within the executive structure of an organization can result in severe problems, such as paralysis in the form of inability to make decisions and to evaluate performance, and in-fighting and overt rivalry within the executive group.

When a coalition fails to develop, the first place to look for causes is the chief executive and his problems in creating confident relationships. The causes are many and complex, but they usually hinge around the nature of the

chief executive's defenses and what he needs to avoid as a means of alleviating stress. For example:

□ The "palace revolt," which led to Semon Knudsen's departure from Ford Motor Company, is an illustration of the failure in the formation of a coalition. While it is true that Henry Ford II named Knudsen president of the company, Knudsen's ultimate power as a newcomer to an established power structure depended on forming an alliance. The particular individual with whom an alliance seemed crucial was Lee Iacocca. For some reason, Knudsen and Iacocca competed for power and influence instead of using cooperatively a power base to which both contributed as is the case with most workable coalitions. In the absence of a coalition, the alternate postures of rivalry and battle for control erupted. Ford ultimately responded by weighing his power with one side over the other.

As I have indicated, it is not at all clear why in Knudsen's case the coalition failed to develop. But in any failure the place to look is in the personalities of the main actors and in the nature of their defenses which make certain coalitions improbable no matter how strongly other realities indicate their necessity.

But defensiveness on the part of a chief executive can also result in building an unrealistic and unworkable coalition, with the self-enforced isolation which is its consequence. One of the most frequently encountered defensive maneuvers which leads to the formation of unrealistic coalitions or to the isolation of the chief executive is the fear of rivalry.

A realistic coalition matches formal authority and competence with the emotional commitments necessary to establish and maintain the coalition. The fear of rivals on the part of chief executives, or the jealousy on the part of subordinates of the chief executive's power, can at the extreme result in paranoid distortions. People become suspicious of one another, and through selective perceptions and projections of their own fantasies create a world of plots and counterplots.

The displacement of personal concerns onto substantive material in decision making is potentially the most dangerous form of defensiveness. The need for defenses arises because people become anxious about the significance of evaluations within existing power coalitions. But perhaps even more basic is the fear and the rivalry to which all coalitions are susceptible

given the nature of investments people make in power relations. While it is easy to dismiss emotional reactions like these as neurotic distortions, their prevalence and impact deserve careful attention in all phases of organizational life.

Unconscious collusions

All individuals and consequently groups experience areas of stress which mobilize defenses. The fact that coalitions embody defensive maneuvers on those occasions where stress goes beyond the usual level of tolerance is not surprising. An even more serious problem, however, occurs when the main force that binds men in a structure is the need to defend against or to act out the conflicts which individuals cannot tolerate alone.

Where coalitions represent the aggregation of power with conscious intention of using the abilities of members for constructive purposes, collusions represent predominance of unconscious conflict and defensive behavior. In organizational life, the presence of collusions and their causes often becomes the knot which has to be unraveled before any changes can be implemented.

The collusion of latent interests among executives can become the central theme and sustaining force of an organization structure of top management. For a collusion to take hold, the conflicts of the "power figure" have to be communicated and sensed by others as an overriding need which seeks active expression in the form of a theme. The themes vary just as do the structures which make a collusion. Thus one common theme is the need to control; another is the need to be admired and idealized; and still another is the need to find a scapegoat to attack in response to frustrations in solving problems.

If people could hold on to and keep within themselves areas of personal conflict, there would be far fewer collusions in organizational life. But it is part of the human condition for conflicts and needs to take over life situations. As a result, we find numerous instances of collusions controlling the behavior of executives. To illustrate:

□ A multidivisional corporation found itself with a revolution on its hands. The president was sensitive to the opinions of a few outside board members representing important stockholder interests. He was so concerned that he would be criticized by these board members,

he demanded from vice presidents full information on their activities and complete loyalty to him. Over a period of years, he moved divisional chief executives to corporate headquarters so he could assure himself of their loyalty. Other executives joined in to gratify the president's need for control and loyalty.

The result of this collusion, however, was to create a schism between headquarters and field operations. Some of the staff members in the field managed to inform the board members of the lack of attention to and understanding of field problems. Discontent grew to such an extent that the board placed the president on early retirement.

Subsequently, the new president, with the support of the board, decentralized authority and appointed new division heads who were to make their offices in divisional headquarters with full authority to manage their respective organizations. One of the lingering problems of the new president was to dissolve the collusion at headquarters without wholesale firing of vice presidents.

Just as power distributions are central to the tasks of organizational planning, so the conservation of power is often the underlying function of collusions. Thus:

□ A manufacturing vice president of a medium-sized company witnessed over a period of 15 years a procession of changes in top management and ownership. He had managed to retain his job because he made himself indispensable in the management of the factory.

To each new top management, he stressed the importance of "home rule" as a means of assuring loyalty and performance in the plant. He also tacitly encouraged each supervisor to go along with whatever cliques happened to form and dominate the shop floor.

However, over time a gradual loss of competitive position, coupled with open conflict among cliques in the form of union disputes, led to the dismissal of the vice president. None of his successors could reassert control over the shop, and the company eventually moved or liquidated many of the operations in this plant.

'Life dramas'

Faulty coalitions and unconscious collusions, as I have illustrated, can result from the defensive needs of a chief executive. These needs, which

often appear as a demand on others to bolster the self-esteem of the chief executive, are tolerated to a remarkable degree and persist for a long time before harmful effects become apparent to outside stockholders, bankers, or boards of directors which ultimately control the distributions of power in organizations. Occasionally, corporations undergo critical conflicts in organizational politics which cannot be ignored in the conscious deliberations which affect how power gets distributed or used.

Intertwined with the various expressions of power conflicts in organizations are three underlying "life dramas" deserving careful attention:

The *first* portrays stripping the powers of a *parental figure*.

The *second* portrays the predominance of *paranoid thinking*, where distortions of reality result from the surfacing of conflicts which formerly had been contained in collusions.

The *third* portrays a *ritualistic ceremonial* in which real power issues are submerged or isolated in compulsive behavior but at the cost of real problem solving and work.

Parental figure

The chief executive in a business, along with the heads of states, religious bodies, and social movements, becomes an object for other people. The term "object" should be understood, in a psychological sense, as a person who is the recipient of strong emotional attachments from others. It is obvious that a chief executive is the *object* because he controls so many of the levers which ultimately direct the flow of rewards and punishments. But there is something to say beyond this obvious calculation of rewards and punishments as the basis for the emotional attachments between leader and led as *object* and *subject*.

Where a leader displays unusual attributes in his intuitive gifts, cultivated abilities, or deeper personal qualities, his fate as the *object* is governed by powerful emotions. I hesitate to use the word "charismatic" to describe such a leader, partially because it suggests a mystique but also because, in its reference to the "great" man as charismatic leader, it expands to superhuman proportions what really belongs to the psychology of everyday life.

What makes for strong emotional attachments is as much in the need of the *subject* as in the qualities of the *object*. In other words, the personalities of leaders take on proportions which

meet what subordinates need and even demand. If leaders in fact respond with the special charisma that is often invested in them at the outset, then they are parties to a self-fulfilling prophecy. Of course, the qualities demanded have to be present in some nascent form ready to emerge as soon as the emotional currents become real in authority relationships.

The emotional attachments I am referring to usually contain mixtures of positive and negative feelings. If the current were only of one kind, such as either admiration or hostility, then the authority relationship would be simpler to describe as well as to manage. All too often, the way positive feelings blend into the negative sets off secondary currents of emotion which intensify the relationships.

On the one side, subordinates cannot help but have fantasies of what they would do if they held the No. 1 position. Such fantasies, besides providing fleeting pleasures and helping one to regulate his ambitions, also provide channels for imaginative and constructive approaches to solving problems. It is only a short step from imagining what one would do as chief executive to explaining to the real chief executive the ideas which have been distilled from this flight into fantasy. If the chief executive senses envy in back of the thoughts, he may become frightened and choke off ideas which can be used quite constructively.

Critical episode: But suppose a situation arises where not one but several subordinates enjoy the same fantasy of being No. 1? Suppose also that subordinates feel deprived in their relationship with the chief executive? Suppose finally that facing the organization there are substantive problems which are more or less out of control. With these three conditions, and depending on the severity of the real problems besetting the enterprise, the stage is set for a collusion which, when acted out, becomes a critical episode of displacing the parental figure. To demonstrate:

□ In November 1967, the directors of the Interpublic Group, a \$700 million complex in advertising and public relations, moved for the resignation of the leader and chief executive officer, Marion Harper, Jr. Briefly, Harper had managed over a period of 18 years to build the world's largest conglomerate in market services, advertising, and information on the base of a personally successful agency career. In expanding from this base, Harper made acquisitions,

started new companies, and widened his orbit into international branches and companies.

As often happens, the innovator and creative person is careless in controlling what he has built so that financial problems become evident. In Harper's case, he appeared either unwilling or unable to recognize the seriousness of his financial problems and, in particular, the significance of allowing cash balances to go below the minimum required in agreements with lending institutions.

Harper seemed careless in another, even more telling, way. Instead of developing a strong coalition among his executive group, he relied on individual ties to him in which he clearly dominated the relationship. If any of the executives "crossed" him, Harper would exile the offender to one of the "remote" branches or place him on partial retirement.

When the financial problems became critical, the aggrieved executives who had once been dependent on Harper and then cast out, formed their own coalition, and managed to garner the votes necessary to, in effect, fire the head man. Although little information is available on the aftermath of this palace revolution, the new coalition had its own problems—which, one would reasonably judge, included contentions for power.

A cynic viewing this illustration of the demise of a parental figure could conclude that if one seeks to maintain power by dominance, then one had best go all the way. This means that to take some but not all of the power away from rebellious sons sets the stage for a cabal among the deprived. With a score to settle, they await only the right circumstances to move in and depose the aggressor.

While this cynical view has its own appeal, it ignores the deeper issues of why otherwise brilliant men fail to recognize the realistic needs for coalitions in the relationships of superior and subordinates. To answer this question, we would need to understand how powerful people operate with massive blind spots which limit vision and the ability to maneuver in the face of realistic problems.

The one purpose that coalitions serve is to guard against the effects of blind spots, since it is seldom the case that two people have identical limitations in their vision and ability to respond. The need to control and dominate in a personalistic sense is perhaps the most serious of all possible blind spots which can affect a chief ex-

ecutive, because he makes it difficult for people to help him, while creating grievances which sooner or later lead to attacks on him.

The unseating of a chief executive by a coalition of subordinates seldom reduces the emotional charge built up in the uncertain attachments to the ousted leader. A new head man has to emerge and establish a confident coalition. Until the contentions for power subside and the guilt reactions attached to deposing the leader dissolve, individuals remain vulnerable to their own blind spots and unconscious reactions to striving for power.

The references to a parental figure in the preceding discussion may appear to exaggerate the meaning of power conflicts. In whatever ways it exaggerates, it also condenses a variety of truths about coalitions among executives. The chief executive is the central *object* in a coalition because he occupies a position analogous to parents in the family. He is at the nucleus of a political structure whose prototype is the family in which jealousy, envy, love, and hate find original impetus and expression.

It would be a gross error to assume that in making an analogy between the family and formal organizations the parental role is strictly paternal. There are also characteristics of the mother figure in certain types of chief executives and combinations of mother-father in the formation of executive coalitions.

Chief executives can also suffer from depersonalization in their roles and as a result become emotionally cold and detached. The causes of depersonalization are complex but, in brief, have some connections to the narrow definitions of rationality which exclude the importance of emotions in guiding communication as well as thought.

For the purpose of interpreting how defensive styles affect the behavior of leaders, there is some truth to the suggestion that the neutrality and lack of warmth characteristic of some leaders is a result of an ingrained fear of becoming the *object* for other people—for to become the *object* arouses fears that subordinates will become envious and compete for power.

Paranoid thinking

This is a form of distortion in ideas and perception to which all human beings are susceptible from time to time. For those individuals who are concerned in their work with the consolidation and uses of power, the experience with sus-

piciousness, the attribution of bad motives to others, jealousy, and anxiety (characteristics of paranoid thinking), may be more than a passing state of mind.

In fact, such ideas and fantasies may indeed be communicated to others and may even be the main force which binds men into collusions. Organizational life is particularly vulnerable to the effects of paranoid thinking because it stimulates comparisons while it evokes anticipations of added power or fears of diminished power.

To complicate matters even more and to suggest just how ambiguous organizational decisions become, there may be some truth and substance in back of the suspicions, distrust, and jealousies which enflame thinking. Personality conflicts do affect decisions in allocating authority and responsibility, and an individual may not be distorting at all to sense that he had been excluded or denied an ambition based on some undercurrents in his relationships with others. To call these sensitivities paranoid thinking may itself be a gross distortion. But no matter how real the events, the paranoid potential is still high as a fallout of organizational life.

Paranoid thinking goes beyond suspiciousness, distrust, and jealousy. It may take the form of grandiose ideas and overestimation of one's power and control. This form of distortion leads to swings in mood from elation to despair, from a sense of omnipotence to helplessness. Again, when acted out, the search for complete control produces the tragedies which the initial distortions attempt to overcome. The tragedy of Jimmy Hoffa is a good case in point. Consider:

□ From all indications, Hoffa performed brilliantly as president of the teamsters' union. He was a superb organizer and bargainer, and in many ways a highly moral and even prudish man. There is little evidence to support allegations that he used his office to enrich himself.

Hoffa's troubles stemmed from his angry reactions when he could not get his way in managing the union's pension fund and from his relations with the government. In overestimating his power, Hoffa fell victim to the illusion that no controls outside himself could channel his actions. At this writing, Hoffa is serving a sentence in Lewisburg Penitentiary, having been found guilty of tampering with a jury.

It is interesting to note that Hoffa's successor delegated considerable authority to regional officers, a step that removed him from direct comparisons with Hoffa and served to cement a coalition of top officers in the teamsters.

Executives, too, can be victims of their successes just as much as of their failures. If past successes lead to the false sense of omnipotence which goes unchecked in, say, the executive's control of the board of directors, then he and his organization become the victims of changing times and competitive pressures along with the weakening in perception and reasoning which often accompanies aging.

One could speculate with some reason that paranoid distortions are the direct result of senility and the inability to accept the fact of death. While intellectually aware of the inevitability of death, gifted executives can sometimes not accept emotionally the ultimate in the limitations of power. The disintegration of personality in the conflict between the head and the heart is what we come to recognize as the paranoid potential in all forms of our collective relations.

Ritualistic ceremonial

Any collective experience, such as organizational life with its capacity for charging the atmosphere in the imagery of power conflicts, can fall victim to rigidities. The rigidities I have in mind consist mainly of the formation and elaboration of structures, procedures, and other ceremonials which create the illusion of solving problems but in reality only give people something to act on to discharge valuable energies.

The best example of a ritualistic approach to real problems is the ever-ready solution of bringing people together in a committee on the naive grounds that the exchange of ideas is bound to produce a solution. There are even fads and fashions to ritualism as in the sudden appearance of favorite words like "brainstorming" or "synergism."

It is not that bringing people together to discuss problems is bad. Instead, it is the naive faith which accompanies such proposals, ultimately deflecting attention from where it properly belongs. Thus:

□ In one research organization, professionals faced severe problems arising from personal jealousies as well as differences of opinion on the correct goals and content for the research program. Someone would periodically suggest that the problems could not be solved unless people came together, preferably for a weekend away from the job, to share ideas and really get down to the "nitty-gritty" of the problem. (It is interesting to note that no one ever defines the

"nitty-gritty.") The group would indeed follow such suggestions and typically end the weekend with a feeling of euphoria brought on by considerable drinking and a sumptuous meal.

The most concrete proposal for action was in the idea that the basic problem stemmed from the organization's increased size so that people no longer knew one another and their work. The solution which appeared, only shortly to disappear, was to publish a laboratory newsletter that would keep people abreast of their colleagues' newest ideas.

In a more general vein, ritualism can be invoked to deal with any real or fancied danger, with uncertainty, ambivalent attitudes, or a sense of personal helplessness. Rituals are used even in the attempt to manipulate people. That power relations in organizations should become a fertile field for ritualism should not surprise anyone.

As I have tried to indicate, the problems of organizational life involve the dangers associated with losses of power; the uncertainties are legion especially in the recognition that there is no one best way to organize and distribute power, and yet any individual must make a commitment to some form of organization.

Ambivalent attitudes, such as the simultaneous experience of love and hate, are also associated with authority relationships, particularly in how superior-subordinate become the subject and object for the expression of dependency reactions. In addition, the sense of helplessness is particularly sensitized in the events which project gains and losses in power and status.

Finally, superior and subordinate in any power structure are constantly tempted to manipulate each other as a way of gaining control over one's environment, and the more so when there is a lack of confidence and credibility in the organization's efforts to solve problems in realistic ways.

The negative effects of ritualism are precisely in the expenditure of energy to carry out the rituals and also in the childlike expectation that the magic formulas of organizational life substitute for diagnosing and solving real problems. When the heads of organizations are unsure of the bases for the exercise of power and become defensive, the easy solution is to play for time by invoking rituals which may temporarily relieve anxiety.

Similarly, when executives fail to understand the structure and potential of the power coalitions,

tions they establish (either consciously or unconsciously), they increasingly rely on rituals to deflect attention away from their responsibilities. And, when leaders are timid men incapable of initiating or responding, the spontaneous reaction is to use people to act out rituals. Usually, the content and symbolism in the rituals provide important clues about the underlying defensiveness of the executive.

Obsessional leaders: The gravitational pull to ceremonials and magic is irresistible. In positions of power, obsessional leaders use in their public performances the mechanisms of defense which originate in their private conflicts. These defenses include hyper-rationality, the isolation of thought and feeling, reactive behavior in turning anger into moral righteousness, and passive control of other people as well as their own thought processes.

Very frequently, particularly in this day and age of psychologizing conflict, obsessive leaders "get religion" and try to convert others into some new state of mind. The use of sensitivity training with its attachment to "openness" and "leveling" in power relations seems to be the current favorite.

What these leaders do not readily understand is the fallacy of imposing a total solution for the problem of power relations where reality dictates at best the possibility of only partial and transient solutions. To force openness through the use of group pressure in T-groups and to expect to sustain this pressure in everyday life is to be supremely ritualistic. People intelligently resist saying everything they think to other people because they somehow have a deep recognition that this route leads to becoming over-extended emotionally and, ultimately, to sadistic relationships.

Intelligent uses of power: The choice fortunately is not between ritualistic civility and naive openness in human relationships, particularly where power is concerned. In between is the choice of defining those partial problems which can be solved and through which bright people can learn something about the intelligent uses of power.

We should not lose sight of the basic lesson that people in positions of power differ from "ordinary" human beings mainly in their capacity to impose their personal defenses onto the stage of corporate life. Fortunately, the relationships are susceptible to intelligent management,

and it is to the nature of this intelligence that I wish to address the conclusion of this article.

Coming full circle

The main job of organizational life, whether it concerns developing a new political pyramid, making new appointments to executive positions, or undergoing management succession at top levels, is to bring talented individuals into location for the legitimate uses of power. This is bound to be a highly charged event in corporate relationships because of the real changes in power distributions and the emotional reactions people experience along with the incremental gains and losses of power.

The demand, on the one hand, is for objectivity in assessing people and needs (as opposed to pseudorationality and rationalizing). This objectivity, on the other hand, has to be salvaged from the impact of psychological stresses which impel people to act out fantasies associated with power conflicts. The stresses of change in power relations tend to increase defensiveness to which counterreactions of rationalizing and of myth-making serve no enduring purpose except perhaps to drive underground the concerns which make people react defensively in the first place.

Stylistic biases

Thought and action in the politics of organizational life are subject to the two kinds of errors commonly found in practical life: the errors of omission and those of commission. It is both what people do and what they neglect to do that result in the negative effects of action outweighing the positive. But besides the specific errors of omission and commission (the tactical aspects of action), there are also the more strategic aspects which have to be evaluated. The strategic aspects deal both with the corporate aims and objectives and with the style of the leaders who initiate change.

In general, leaders approach change with certain stylistic biases over which they may not have too much control. There is a preferred approach to power problems which derives from the personality of the leader and his defenses as well as from the realities of the situation. Of particular importance as stylistic biases are the preferences for partial, as contrasted with total, approaches and the preferences for substance over form.

Partial vs. total: The partial approaches attempt to define and segregate problems which become amenable to solution by directive, negotiation, consensus, and compromise.

The total approaches usually escalate the issues in power relations so that implicitly people act as though it were necessary to undergo major conversions. The conversions can be directed toward personality structure, ideals, and beliefs, or toward values which are themselves connected to important aspects of personal experience.

When conversions become the end products of change, then one usually finds the sensitization of concerns over such matters as who dominates and who submits, who controls and who is being controlled, who is accepted and who is rejected. The aftermath of these concerns is the heightening of fantasy and defense at the expense of reality.

It may come as something of a disappointment to readers who are favorably disposed to psychology to consider the possibility that while organizations do have an impact on the attitudes of their constituent members, they cannot change personality structures or carry out therapeutic procedures. People may become more effective while working in certain kinds of organizations, but only when effectiveness is not dependent on the solution of neurotic conflict.

The advocates of total approaches seem to miss this point in their eagerness to convert people and organizations from one set of ideals to another. It becomes a good deal wiser, if these propositions are true, to scale down and make concrete the objectives that one is seeking to achieve.

A good illustration is in the attention given

to decentralization of authority. Decentralization can be viewed in the image of conversion to certain ideals about who should have power and how this power should be used responsibly, or through an analytical approach to decide selectively where power is ill-placed and ill-used and to work on change at these locations. In other words, the theory of the partial approach to organizations asserts priorities and depends on good diagnostic observation and thought.

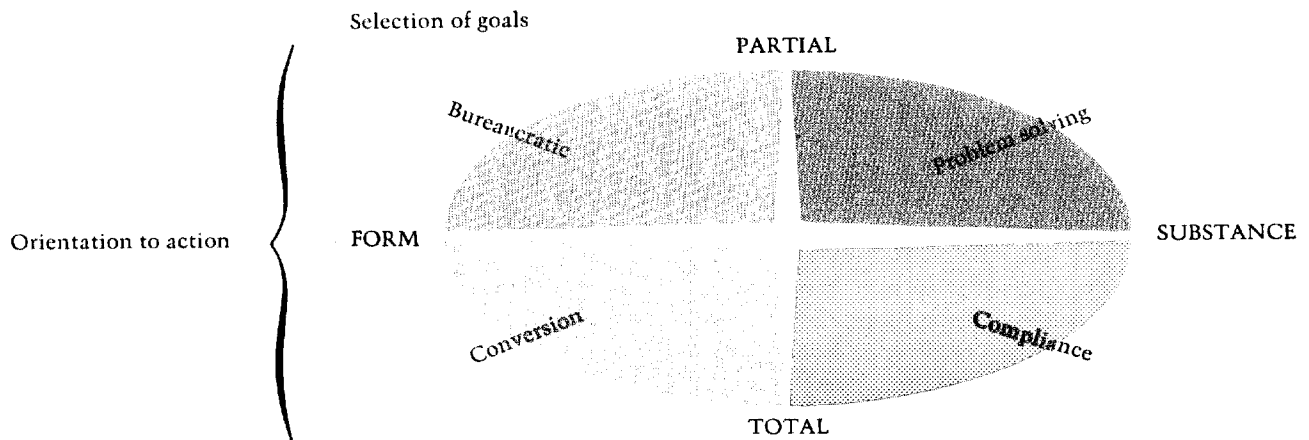
Substance vs. form: Leaders can also present a stylistic bias in their preference for substance or form. Substance, in the language of organizations, is the detail of goals and performance—that is, who has to do what with whom to meet specific objectives. Form directs attention to the relationship of “who to whom” and attempts to achieve goals by specifying how the people should act in relation to each other.

There is no way in which matters of form can be divorced from substance. But students of organization should at least be clear that attention to form *ahead of* substance threatens a person’s sense of what is reasonable in undertaking actions. Attention to form may also present an implicit attack on one’s conception of his independence and freedom from constraint.

Making form secondary to substance has another virtue: it can secure agreement on priorities without the need of predetermining who will have to give way in the ultimate give-and-take of the negotiations that must precede decisions on organization structure.

The two dimensions of bias, shown in the *Exhibit 1* matrix, along with the four cells which result, clarify different executive approaches to

Exhibit 1. Cognitive management styles in organizational life



power. The two dimensions define the executive's cognitive biases in: (1) selection of goals (partial vs. total), and (2) orientation toward action (form vs. substance).

In the *bureaucratic* approach—that is, partial goals and attachment to form as a mode of acting—the emphasis is on procedure and the establishment of precedent and rule to control the uses of power.

The appeal of this approach is its promise of certainty in corporate relationships and in the depersonalization of power. The weaknesses of the bureaucratic approach are too familiar to need detailing here. Its major defect, however, is its inability to separate the vital from the trivial. It more easily commands energy over irrelevant issues because the latent function of the bureaucratic approach is to bypass conflict.

My contention here is that few important problems can be attended to without conflict of ideas and interests. Eventually organizations become stagnant because the bureaucratic approaches seldom bring together power and the vital issues which together make organizations dynamic.

The *conversion* approach (total-form) is notable through the human relations and sensitivity training movements as well as ideological programs, such as the Scanlon Plan and other forms of participative management. The popularity of "management by objectives" bears some scrutiny as a conversion movement directed toward power figures.

Another "total" approach which differs from conversion in its emphasis on substance is *compliance* with the directives of the powerful leader. This is the arena of the authoritarian personality (in both the leader, who has the power, and in the led, who seek submission), for whom personal power gets expressed in some higher goal that makes it possible for ends to justify means. The ideals may, for example, be race, as with dictator Adolf Hitler, or religion, as with Father Charles Coughlin, a dictator-type of the depression. In business, the illustrations are of a technological variety as with Frederick Winslow Taylor's "scientific management" and Henry Ford's automobile and assembly line.

Almost any technology can assume the proportions of the total approach if it is advanced by a charismatic leader and has deep emotional appeal. This explains the popularity of "management information systems," "value analysis," and "program planning and budgeting" which lead to a belief that the system itself is based on

order, rationality, and control; therefore, the belief in turn helps to counteract the fears of chaos and lack of control which make people willing to demand total dependence and compliance in power relations. The effects of this fear on how people seek to arrange power relations in business, government, and the community cannot be overestimated.

Problem-solving approach

It should be perfectly obvious by now that my favored approach to organizational life combines the biases in *Exhibit I* of the partial substantive quadrant which I have designated "problem solving." From observation of competent business executives, we know it is precisely their ability to define problems worthy of thought and action and to use their organization to evolve solutions which characterize their style.

The contrary notion that executives are primarily caretakers, mediators, and seekers of consensus is more a myth than an accurate portrayal of how the competent ones attach themselves to power. To have power and not direct it to some substantive end that can be attained in the real world is to waste energy. The difficulties with the problem-solving approach are in risking power in favor of a substantive goal.

While there are no absolute right answers in problem solving, there are ways of evaluating the correctness of a program and plan. With a favorable average, the executive finds his power base enhanced and his ability to take risks increased.

The problem-solving approach to organization structure operates according to certain premises:

1. That organization structure is an instrument rather than an end. This means that a structure should be established or modified quickly instead of stringing out deliberations as though there actually exists a best and single solution for the problem of allocating power.

2. That organization structure can be changed but should not be tinkered with. This means that members of an executive organization can rely on a structure and can implement it without the uncertainty which comes from the constant modification of the organization chart.

3. That organization structure expresses the working coalition attached to the chief executive. In other words, the coalition has to be established *de facto* for the structure to mean anything. If the structure is out of line with the coalition, there will be an erosion of power and

effectiveness. If no coalition exists in the minds of participants, putting it on paper in the form of an organization chart is nothing more than an academic exercise and a confusing one at that.

4. That organization structure represents a blend of people and job definitions, but the priority is in describing the structure to accommodate competent people. The reason for this priority lies in the fact that competent executives are hard to find. Therefore, as an action principle, one should ensure the effective uses of the scarcest resources rather than conform to some ideal version of power relations.

5. That organization structure is a product of negotiation and compromise among executives who hold semiautonomous power bases. The more the power base of an executive is his demonstrated competence, the greater his autonomy of power and therefore capacity to determine the outcome in the allocations of power.

The basic criticism of the problem-solving approach is in the danger of defining issues narrowly and ultimately undermining the moral-ethical basis of leadership. This criticism is valid, but as with so many problems in practical affairs, it can be overcome only by leaders who can see beyond the limits of immediate contingencies. In fact, I have tried to show throughout this article how the limitations of leaders, in both their cognitive and their emotional capacities, become the causes of power problems.

We have therefore come full circle in this analysis: because power problems are the effects of personality on structure, the solutions demand thinking which is free from the disabilities of emotional conflicts. This insight is often the margin between enduring with what exists or taking those modest steps which align competence with institutional authority in the service of human needs.

Evidences of vitality and 'normality'

[The] perennial institutions, structured about the incommensurable experiences of man, all in their turn claim him as their own. He is a member of each of them and cannot escape them. The very content of life is found within their framework, and their claim upon it is in each case a total claim. Quite without deliberate intent, these institutions in turn, in the unplanned insistence to fulfill the need represented by the unique experience around which they are structured, tend to embrace all of the life of man. They compete not merely for his loyalty, but also for the exercise of the innumerable responsibilities and functions, and the satisfaction of the innumerable needs and aspirations that the life of man generates in a living world. The difficulty lies in the fact that the field, though it be complex, is limited, and that whatever one institution performs, and takes upon itself to perform, is at the expense of another.

These institutions, all at the service of man, are competitive with each other, and the conflict between them is, in fact, irremediable. Institutional friction and instability are, therefore, the normal state of society, and the hope and peace and quietude is an idle dream. Competition, imbalance, and friction are not merely continuous phenomena in society, but in fact are evidences of vitality and "normality."

Frank Tannenbaum,
The Balance of Power in Society,
New York, The Free Press,
1969, pp. 8-9.

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