Sustainability Business Vlog

Leadership Challenge: The Responsible Use of Power

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"With great power comes great responsibility." - Voltaire

Link to Vlog

Transcript:

Welcome back to another episode of our business vlog.

Today, we're plugging into a crucial topic that's all about power. We're diving deep into the realm of leadership power and responsibility.

[First Slide: Leadership Challenge: The Responsible Use of Power]

In our fast-changing world, leaders encounter significant challenges represented by the VUCA acronym (Giles, n.d.)—Volatility, Uncertainty, Complexity, and Ambiguity—coined by Warren Bennis and Burt Nanus (Bennis and Nanus, 2007).

[News montage footage]

With rapid technological progress and global economic uncertainty, businesses need adaptability and innovation to succeed (Bennett and Lemoine, 2014). As a result, leaders across various organizations, from big corporations to startups and nonprofits, must handle these challenges while using power effectively, ethically, and responsibly.

In recent years we've witnessed the leadership landscape shift as more companies embrace Corporate Social Responsibility (CSR) (Stobierski, 2021). Despite some criticism (Barnett, 2019),

this adoption has brought about positive evolution in the business and leadership domain as companies have pursued success across their triple bottom line (TBL) (Murphy, n.d.).

But as businesses have embraced social responsibility, I'm curious about power?

[Slide: What About Corporate Power Responsibility (CPR) ?]

What changes could occur or greater efficiencies emerge if leaders and organizations took more responsibility for power - making sure it was used as a force for good. Imagine with me, for a moment, a world where Corporate Power Responsibility (CPR) is widely taken seriously in the business landscape.

Power is central to leadership, representing the capacity to influence others and drive change (van Dijke, 2020). In their article (Peyton, Zigarmi and Fowler, 2019) share how power is essential in empowering individuals and teams to mobilize resources, make decisions, and advance progress. It's essential for navigating challenges and achieving organizational goals in today's competitive and problem-filled environment.

[Slide: Power Is Frequently Used Irresponsibly]

But we're also all too familiar with the dual nature of power. Platforms like Twitter frequently expose corporate scandals, political corruption, and abuse even within religious organizations, showcasing the widespread consequences of misused power. Such misconduct can result in authority abuses, trust breaches, not to mention organizational dysfunction (Singh, 2019).

The challenge for leaders today is how we will use power responsibly. Can we use power responsibly? And if so, what does that look like?

To tackle this challenge effectively, we need to compare two main leadership approaches: stored power and shared power.

Stored Power

Stored power is a term that's been loosely used by thought leaders like Adam Grant (Baldoni, n.d.), describing power dynamics present in hierarchical structures where authority is centralized at the top, typically as seen in traditional CEO models. Stored power in leadership can be likened to a battery: single-use, non-renewable, and designed for a specific purpose or person. While leaders in such setups can manage power responsibly through structures like boards of trustees and accountability mechanisms, inherent weaknesses persist when it comes to Corporate Power Responsibility (CPR)

Firstly, It's Susceptible to Abuse

Firstly, we see that this model is prone to abuse. According to research published in strategic direction (It's all about me: narcissistic chief executive officers and their effects on company strategy and performance, 2008), concentrating power in the hands of a few individuals within an organization not only attracts potentially unhealthy ego-impaired leaders, such as narcissists, but also amplifies the impact if such leaders are in control.

Secondly, Power Flows In and Up

Additionally, there's a flaw in the flow of stored power and its consequential impact. In such models, power tends to flow inward and upward, fostering dependency. This centralized dynamic can hinder organizational progress by making the leader a bottleneck, sapping power from what could be an empowered team (Singh, 2019).

Shared Power

So let's look at shared power. In contrast, shared power involves distributing authority and decision-making responsibilities across all levels of the organization. Instead of it being like a battery it's more like windpower [windpower footage], that is utilized by many individuals, is renewable, and unlike stored power it has striking benefits (Tuominen, 2022).

Firstly, It Safeguards Against Abuse

Firstly, it acts as a safeguard against abuse. Its decentralized nature makes it less conducive to ego-impaired individuals, reducing the likelihood of significant long-term harm and organizational dysfunction even if unhealthy leaders are present (Qin, 2021) .

Secondly, Power flows Out and Around

Moreover, in this model, power flows outward and circulates, fostering agency and virtuous team energy (Singh, 2019). Dr. Kylie Ensrud emphasizes (www.linkedin.com, n.d.) that when leaders nurture agency within their teams, they equip their organizations with the ability to proactively adapt and evolve - pretty important traits in today's VUCA world.

I strongly believe that for leaders to embrace Corporate Power Responsibility (CPR) successfully, transitioning to some form of the shared power model is vital (INSEAD Knowledge, 2017). This model rests on four essential pillars: shared purpose, trust (Duncan, n.d.), skilled diverse teams (Raithel, Knippenberg and Stam, 2021), and effective communication (E. Hoch, 2014). Together, these pillars foster responsible power sharing, ultimately boosting organizational performance and effectiveness (Tuominen, 2022).

So, wrapping things up, let's take a cue from Tim Brown, the CEO of Ideo (Baldoni, n.d.). He's all about embracing shared power in leadership, and boy, does he believe it makes a difference! Not only does it prevent the nasty consequences of power misuse, but it also amps up performance and creates a team that's all fired up and ready to go. So, in a nutshell, corporate power responsibility and sharing power in leadership isn't just a nice idea—it's a game-changer for building a workforce that's engaged, motivated, and ready to tackle anything.

[Closing Slide]

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