

MGMT 565
Power & Influence in Organizations
Module 6, 2010
M & W 3:30 - 5:30 Room 125 Business Building

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Office Hours 1:00-2:30 W and by appointment

Required Readings:

Pfeffer, Jeffrey (1992). Managing with Power. Cambridge, MA: Harvard University Press. -
PDFs for first few chapters available on Angel

Readings Packet available at University Book Store

Power and politics are ever-present and necessary features of organizational life. Without them, much of what gets done in organizations could never be accomplished. However, power can also be abused, and personal or political goals can overshadow organizational ones. This course provides a framework for intelligently analyzing the sources of power in organizations, and the circumstances that lead to its attainment and effective use. It also offers a framework for evaluating political behaviors on both pragmatic and ethical grounds. The course has the following overarching goals:

1. You will understand more about the nature and sources of power in organizations. This is the paramount objective because core issues of power and political process are ambiguous and often do not have "right" answers. I cannot teach you a set of formulas that will maximize your effectiveness. I can help you learn and apply tools and tactics for effectively and ethically attaining and using power.
2. You will increase your ability to think through and apply central concepts of power and influence, including social exchange perspectives on power, network structures and their consequences, the bases of interpersonal influence, and diagnostic tools and techniques to identify the "rules of the game." These concepts are the building blocks from which you can systematically recognize and evaluate power and influence strategies.
3. You will develop confidence and increased skills in diagnosing power situations, managing conflict, and using political strategies in ethical and pragmatic ways to get things done in the workplace and other organizations.

This is a masters-level course. As such, the focus will be on the application of the concepts and tools covered to real-world situations. The analysis of cases, media accounts, and video/movie segments will be central to our class discussions. There are no specific background prerequisites other than an interest in the subject matter and the willingness to work and come to class prepared.

COURSE ASSUMPTIONS:

1. Far more important than "objective facts," are the interpretations by people who view things from their own perspective. Managers often over-emphasize problem solving and under-emphasize problem identification, contextual analysis, and solution implementation tasks.
2. Organizations are not rational systems. Rather, organizations are coalitions composed of varied individuals and interest groups that engage in on-going contests for control.
3. There are enduring differences among individuals and groups.
4. Most important decisions in organizations involve the allocation of scarce resources – decisions about who gets what, when, and how much.
5. Because of scarce resources and enduring differences, conflict is central to and pervasive in organizational dynamics, and power is the most important resource. Political processes resolve issues.
6. Conflict in organizational dynamics is not negative a priori. Competition for scarce resources within a firm can be beneficial for the organization.
7. Organizational goals and decisions emerge from bargaining, negotiation, and jockeying for position among coalitions and members. The dominant coalition defines operative meanings and values.

Performance Measures and Feedback

The primary tools for assessing your performance are the written assignments and your contribution to the class. These are closely tied to the readings and the mini-lectures. Your grade for the course will accordingly be based on the following components:

INTERDEPENDENCIES ANALYSIS -- You will develop a strategic analysis of the interdependencies, power sources, and effectiveness of the actors portrayed in the documentary *The Art of the Steal*, about the Barnes Foundation art collection. I have scheduled two evening viewings of the documentary outside of class on 11/1 and 11/2 from 7-9pm in Room 125. Three pages maximum, single spaced, 1" inch margins, 12 point times roman font. Formatting guidelines will be provided. *One Third of Final Grade*

NETWORK ANALYSIS -- You will conduct an analysis that examines your own networks of relationships and how they can help you in achieving your career aspirations (which, at this

point, mainly consists of finding a job). A network analysis instrument will be provided to help you diagnose your network. You will hand in a spreadsheet (I will provide the template) that provides your results from the analysis tool, as well as a report that discusses your short- and long-term career objectives, the strengths and weaknesses of your current network relative to these objectives, your preferred approaches in establishing your network, and an action plan describing how you can enhance your network going forward in order to help you accomplish your objectives. Five pages maximum (not including the network graph), double spaced, 1 inch margins, 12 point times roman font. You may also include up to two additional figures or tables, if you wish. ***One Third of Final Grade***

CLASS CONTRIBUTION -- Much of the learning to be done in this class will be based upon the quality of discussions that occur in the classroom. You will learn as much (and I hope more) from each other as you do from me. As such, adequate preparation, regular attendance, and participation in class discussions are mandatory if you expect to receive a decent grade in this class. Failure to attend class **WILL HURT** your final grade. Life is full of choices. It may be perfectly sensible for you to choose to miss a class based on the tradeoffs, but realize that your choice will have a consequence. If you know you are going to miss a class, please inform me ahead of time. ***One Third of Final Grade***

Criteria for Evaluation of Class Contribution

Class participation is a very important part of the learning process in this course and is also part of what will make the course useful for you and your fellow students.

- * I expect that you will **attend every class** and that you are prepared.
- * I will "cold call."
- * **Arriving late/leaving early** cannot enhance and may well **reduce** your final course grade. If you must miss a course session, please confirm that with me prior to class by phone or email. It will be your responsibility to access class notes and to find out information about what you missed.

Your comprehension and insights about cases and assigned readings are vivid in class discussion, and I will note and appreciate **quality** comments. In addition, **good listening is a crucial skill** for a manager, a complement to the ability to observe systematically and with empathy the experiences of others.

Quality comments:

- * Offer original and relevant perspectives on the issues at hand
- * Build on previous comments with new insights
- * Show evidence of thought and reflection by including evidence, grounding experience in theory, making an argument, and recognizing potential tradeoffs inherent in a course of action
- * Pose critical questions -- too often we seek answers, rather than good questions.

Other Administrative Details

Faculty members tend to have somewhat different expectations as to class behavior and course norms; I'd like to outline a few of my expectations concerning such matters.

1. I will be happy to discuss the course, your progress, or any other issues of interest to you on an individual basis. Please see me in class or email to set up an appointment.
2. Since I call on individuals whose hands are not raised, you should let me know before the start of the class if some emergency has made it impossible for you to be prepared adequately for that class. This still affects your day's grade (by limiting your ability to contribute), but prevents embarrassment for us both.
3. Please be forewarned of my two **biggest pet peeves**. First, while in my class, please **do not read other material. This includes surfing the web, answering email and IMing**. Engaging in these activities is rude to both me and your colleagues. If for some reason you feel that you must engage in these activities during our class time, excuse yourself from class and do it elsewhere. Second, **turn off your cell phones** before class begins. There is almost no call or text message you will receive that is urgent enough to disrupt our class. Again, it is rude and shows a lack of consideration for me and your fellow students. If there is a legitimate reason to leave your phone on (like your wife could be going into labor at any time), please put your phone on vibrate.
4. Group work is strongly encouraged for purposes of case preparation for classroom discussion **EXCEPT** for the Erik Peterson case. The individual written assignments are individual assignments; discussion with others is not permitted unless otherwise noted in the project instructions.

ACADEMIC INTEGRITY

According to the Penn State Principles and University Code of Conduct:

Academic integrity is a basic guiding principle for all academic activity at Penn State University, allowing the pursuit of scholarly activity in an open, honest, and responsible manner. According to the University's Code of Conduct, you must neither engage in nor tolerate academic dishonesty. This includes, but is not limited to cheating, plagiarism, fabrication of information or citations, facilitating acts of academic dishonesty by others, unauthorized possession of examinations, submitting work of another person, or work previously used in another course without informing the instructor, or tampering with the academic work of other students.

Any violation of academic integrity will be investigated, and where warranted, punitive action will be taken. For every incident when a penalty of any kind is assessed, a report must be filed, using the *pdf* form at this URL: <https://intranet.smeal.psu.edu/smeal/integrity/index.html>

In this course I encourage you to work with others when preparing for class discussions, with one exception - The Art of the Steal assignment. This case is to be prepared and written up INDIVIDUALLY. You may confer with classmates about the requirements of the assignment (i.e., what topics to cover, how to structure the write-up), but not substantive aspects of the analysis (e.g., what are the key interdependencies, etc.). You may also of course ask me any questions you have. Other than the Art of the Steal case, you may

confer with classmates about substantive aspects of all the other assignments. However, all written work must be your own. Papers that are judged to be substantially similar in content must be submitted to the Smeal committee for academic integrity.

ACADEMIC INTEGRITY PLEDGE

Please include the following statement on all written work you hand in:

I/We _____ affirm that I/We have neither given, utilized, received, nor witnessed unauthorized aid on this deliverable and have completed this work honestly and according to the professor's guidelines.

AFFIRMATIVE ACTION AND SEXUAL HARASSMENT

The Pennsylvania State University is committed to a policy where all persons shall have equal access to programs, facilities, admission, and employment without regard to personal characteristics not related to ability, performance, or qualifications as determined by University policy or by Commonwealth or Federal authorities. Penn State does not discriminate against any person because of age, ancestry, color, disability or handicap, national origin, race, religious creed, gender, sexual orientation, or veteran status. Direct all inquiries to the Affirmative Action Office, 328 Boucke Building.

AMERICANS WITH DISABILITIES ACT

The Smeal College of Business Administration welcomes persons with disabilities to all of its classes, programs, and events. If you need accommodations, or have questions about access to buildings where Smeal College activities are held, please contact us in advance of your participation or visit. If you need assistance during a class, program, or event, please contact the member of our staff or faculty in charge. Access to Management and Organization courses should be arranged by contacting the Management and Organization Office: (814) 865-1789.

AN INVITATION TO STUDENTS WITH LEARNING DISABILITIES

It is Penn State's policy to not discriminate against qualified students with documented disabilities in its educational programs. If you have a disability-related need for modifications in your testing or learning situation, your instructor should be notified during the first week of classes so that your needs can be accommodated. You will be asked to present documentation from the Office of Disability Services (located in 116 Boucke Building; (814) 863-1807) that describes the nature of your disability and the recommended remedy. You may refer to the Nondiscrimination Policy in the *Student Guide to University Policies and Rules*.

Week One: 10/18 - 10/20

Session 1 - Power and Dependence

Introduction to the class and discussion of the syllabus

Readings: Pfeffer, Chapters 1 (pp. 8-18, 28-31) & 2

Case: When Consultants and Clients Clash

Preparation Questions:

1. Why did Kellogg's friends recommend that consultants be brought in to help manage the integration of the operating policies?
2. Which individuals are in powerful positions and which individuals are powerless? How do you determine each actor's relative power?
3. What is Kellogg failing to grasp about the merger? The consultants?
4. Can the operating policies be integrated, or will they have to develop a new set of policies? What are the advantages and disadvantages of each of these courses of action?

Session 2 - Resources, Relationships, Rules

Readings: Pfeffer, Chapters 3 & 4

Case: Rondell Data

Preparation Questions:

1. Why did Hunt fire Forbus?
2. Describe Forbus's job in terms of the pattern of dependencies he faces in getting his job done. What are the sources of dependencies affecting Engineering Services in Rondell's overall structures, communication networks, technology and work processes, culture, and history?
3. How did Forbus manage these dependencies? Why?
4. Given specifics and evidence in the case, what could Forbus have done to increase the relative power and influence (and hence, effectiveness) of his unit?

Week Two: 10/25 - 10/27

Session 3 - Informal Sources of Power and Dependence

Readings: Pfeffer, Chapter 9

Case: The Roller Coaster Ride: The Resignation of a Star

Preparation Questions:

1. What are the interdependencies among Stephen Connor, Peter Thompson and Rina Shea?
2. What are the exogenous factors outside RSH influencing the internal power dynamics?
3. What are Stephen, Peter and Rina's formal and informal sources of power? Which sources are most important in this situation? How are they using them?
4. What would you do if you were Stephen? Peter? Rina?

Session 4 - Resource Acquisition Exercise

Case: Star Power Exercise

Week Three: 11/1 - 11/3

Session 5 - Formal Position, Performance and Unit Power

Readings: Pfeffer, Chapters 7 & 8

Case: Martha McCaskey

Preparation Questions:

1. What exactly is the situation McCaskey is facing? Identify personal, organizational, and contextual factors that led to this predicament.
2. What are the "rules of the game" at Seleris Associates and in the Industry Analysis Division? What is the case evidence for your assessment?
3. Why has the situation with Devon created more of a quandary for McCaskey than other actions she has taken or observed at Seleris?
4. By what means do organizations "draw lines"? How do you "draw lines"? How would you handle this situation in McCaskey's place? Why? Be prepared to role play in class to bring out key issues.

*Screenings of The Art of the Steal: November 1, 7-9pm Room 125
November 2, 7-9pm Room 125*

Session 6 - Managing Meaning and Symbols / Culture: Analyzing the Rules

Symbols Readings: Pfeffer, Chapter 15
Tannen, The Power of Talk

Culture Readings: Goffee & Jones, What Holds the Modern Corporation Together?

Case: Orit Gadiesh: Pride at Bain & Co. & Culture Video Clips

Preparation Questions:

1. What are Gadiesh's power sources? How does she translate these into concrete influence and political capital? What kinds of influence currencies does she trade in?
2. Identify and evaluate Gadiesh's career-building strategy. How does she assemble everyday "robust actions" into career momentum? What kinds of tasks, responsibilities, and commitments did she seek out/accept? Did she make mistakes?
3. What are the rules of the game and cultural context at Bain & Co.? What speech should she give? Why?
4. Is her success unique or context-dependent? Would she be successful in another firm? What are key take away lessons about priorities for managing your career?

Week Four: 11/8 - 11/10

Session 7 - Overcoming Barriers to Power and Influence

Readings: Pfeffer, Chapter 16
Eccles & Nohria, Action: The Realities of Managing (read pp. 39-47)

Case: The Art of the Steal

Preparation Questions:

1. How did Barnes attempt to protect his collection? Why did it work? When did it stop working? Why?
2. What are the rules of the game that govern how power is used in this case? Did they change over time?
3. How were key interdependencies used to gain control over the Barnes collection?
4. What counsel would you give the Friends of the Barnes Foundation, given the current circumstance?

Interdependencies Case Analysis Due

Session 8 - Interpersonal Influence

Readings: Cialdini, Harnessing the Science of Persuasion

Case: Videos

Week Five: 11/15 - 11/17

Session 9 - Agenda Setting

Readings: Maister - Garbage Can Decision Making (On Angel)
Pfeffer, Chapter 10

Case: Agenda Setting Exercise

Optional Readings: Pfeffer, Chapter 13

Session 10 - Diagnosing and Building Networks

Readings: Pfeffer, Chapter 6
Krackhardt & Hansen, Informal Networks

Case: Amelia Rogers at Tassani Communications

Preparation Questions:

1. What is going on here? Why did Burns call Johnson? Why did Johnson call Rogers?
2. What should Rogers do? Should she speak to Burns? Should she speak to Paglia? What specific influence strategies and tactics should she use?

Week Six: 11/29 - 12/1

Session 11 - Managing Within Networks

Readings: Baker, Managing Up, Down and Sideways (On Angel)
Baker, Bottlenecks and Bridges (On Angel)

Case: Managing Xerox's Multinational Development Center

Preparation Questions:

1. What have John Clendenin's objectives been at Xerox?
2. What obstacles did he confront in accomplishing these objectives?
3. What interpersonal and organizational strategies did he utilize to accomplish these objectives?
4. What actions should Clendenin take now?

Session 12 - Leveraging Networks

Readings: Burt, The Social Capital of Entrepreneurial Managers
Baker, Building Relationships with Customers and Clients (On Angel)
Uzzi & Dunlap, How to Build Your Network

Case: Jerry Sanders

Preparation Questions:

1. What techniques did Sanders use to develop his networks? How did Sanders' networks impact his career decisions, and vice versa?
2. What are the benefits to Sanders' method of network formation and use? What are the limitations or downsides?
3. Did Sanders have to form all of the network relationships himself? How is Burt's concept of structural holes illustrated in this case?
4. What were the characteristics of desirable network contacts in this case? Do these characteristics differ for Sanders' different projects? What were some of the key resources that network members controlled, and how did Sanders access and utilize them?

Hand in Spreadsheet for the Network Analysis Exercise

Week Seven: 12/6

Session 13 - Assessing Your Own Network

Readings: Baker, Finding Good People (or Changing Jobs) (On Angel)

Case: Discussion of the Network Analysis Project

Network Analysis Assignment Due