The Institute for Management Studies
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Presents

Managing Without Authority:
The Use of Power and Persuasion

Dr. Dwight Jaggard
(610) 353-4104
jaggard@seas.upenn.edu
## Leading Without Authority

[Dwight Jaggard]
jaggard@seas.upenn.edu  
610-353-4104  
University of Pennsylvania

### Who is Dwight?

- Educator/Researcher
- Management Consultant
- Co-Founder High-Tech Company
- Chair of the Faculty Senate, University of Pennsylvania

### Goals for Today:

- Understand Power
- Learn Persuasion Principles
- Discover Leading w/o Authority
- Apply the Principles
- Understand Decision-Making
- Have Some Fun
• Power
• Persuasion Principles
• Culture
• Two Magic Ingredients
• Case Example
• Decision Making
• A More Strategic Viewpoint

Power

• Power is the ability to influence the behavior of others
• Think of it as potential
• It is neither “good” nor “bad”
• It comes in several “flavors” or types

Power Typology

Coercive
Legitimate
Reward
Expert
Referent

After French and Raven (1959)
Types of Power

- Coercive Power
- Legitimate/Positional Power
- Reward Power
- Expert Power
- Referent Power

After French and Raven (1959)

Coercive Power

- Power to punish or penalize others
- Based on fear
- Can be destructive if misused
- Works short term

Coercive Power

<table>
<thead>
<tr>
<th>Hard Approach</th>
<th>Soft Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppress</td>
<td>Mislead</td>
</tr>
<tr>
<td>Force</td>
<td>Beguile</td>
</tr>
<tr>
<td>Control</td>
<td>Deceive</td>
</tr>
<tr>
<td>Intimidate</td>
<td>Seduce</td>
</tr>
<tr>
<td>Bully</td>
<td>Deter</td>
</tr>
<tr>
<td>Threaten</td>
<td>Divert</td>
</tr>
</tbody>
</table>
Legitimate or Positional Power

- Power of role, hierarchy or rules
- Can be enhanced by titles, uniforms, perks...
- Can be destructive if misused
- Often only works short term

Legitimate/Positional Power

- Provides a number of acceptable actions:
  - Choose your own team
  - Set your own work agenda
  - Useful in negotiations
  - Can get things done quickly
- But beware!
  - A little goes a long way
  - Backlash

Reward Power

- Reward power offers incentives to gain compliance
- Exists if someone believes another can withhold the reward
• Reward power can be used at all levels of the organization
  Everyone likes to be rewarded
  *Reward power is related to the concept of reciprocity although it is less subtle

• Expert power is earned through having superior knowledge or information
• Is based on followers’ perception of leader’s competence
Referent power occurs when others identify with, like or respect the person. Associated with charismatic leadership.
Good Twins – Bad Twins

- Two good twins:
  - **Influence** – the ability to automatically cause people to change their actions, attitudes or beliefs (your reputation plays a key role here)
  - **Persuasion** – the ability to purposefully or deliberately cause people to change their actions, attitudes or beliefs (communication of some type plays a role here)

- Two evil twins:
  - **Manipulation** – exerting shrewd or devious influence, especially for one’s own advantage
  - **Coercion** – to make someone do something by using force or threats

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What Power Do I Typically Use at Work?

<table>
<thead>
<tr>
<th>Type</th>
<th>Minimal Use</th>
<th>Moderate Use</th>
<th>Maximal Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coercive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legitimate/Positional</td>
<td></td>
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</tr>
<tr>
<td>Reward</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expert</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Referent</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Road Map

- Power
- Culture
- Persuasion Principles
- Two Magic Ingredients
- Case Example
- Decision Making
- A More Strategic Viewpoint
Hofstede’s Work on National Cultural Dimensions

National Cultural Measures:
- Power Distance Index
- Individualism Index
- Masculinity Index
- Uncertainty Avoidance Index
- Long-Term Orientation
- Pragmatism
- Indulgence

We will look at three:
- Power Distance Index
- Individualism Index
- Masculinity Index

Power Distance

- Power distance measures the extent to which the less powerful members accept and expect that power will be distributed unequally.
- Countries with large power distance (accept hierarchy and differences in power): Malaysia, Slovakia, Russia, Arab countries, China, India, as opposed to the United States, Scandinavia, Western Europe and Australia

Key Workplace Differences Between Small- and Large-Power-Distance Societies

<table>
<thead>
<tr>
<th>Small Power Distance</th>
<th>Large Power Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Decentralization is popular</td>
<td>• Centralization is popular</td>
</tr>
<tr>
<td>• There are fewer supervisory personnel</td>
<td>• There are more supervisory personnel</td>
</tr>
<tr>
<td>• Narrow salary range from top to bottom</td>
<td>• Wide salary range from top to bottom</td>
</tr>
<tr>
<td>• Managers rely on their own experience and on subordinates</td>
<td>• Managers rely on superiors and on formal rules</td>
</tr>
<tr>
<td>• Subordinates expect to be consulted</td>
<td>• Subordinates expect to be told what to do</td>
</tr>
<tr>
<td>• Privileges and status symbols are frowned upon</td>
<td>• Privileges and status symbols are normal and popular</td>
</tr>
</tbody>
</table>
Power Distance Index

- Darker color indicates larger power distance region

Masculinity
[Achievement Motivation]

- Preference for achievement, heroism, assertiveness and material reward for success as opposed to cooperation
- This is about achievement motivation (not gender)
- Countries with high masculinity (reinforces high achievement and traditional business roles): Slovakia, Japan, Hungry, Austria, Venezuela, Italy, followed by the United States, China and the rest of Western Europe with low values for Russia, Canada and Brazil and very low values for Scandinavia

Key Workplace Differences Between Feminine and Masculine Societies

<table>
<thead>
<tr>
<th>Feminine</th>
<th>Masculine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management being intuitive and consensus-building</td>
<td>Management being decisive and aggressive</td>
</tr>
<tr>
<td>Resolution of conflicts by compromise/negotiation</td>
<td>Resolution of conflict by letting the strongest win</td>
</tr>
<tr>
<td>Rewards based on equality</td>
<td>Rewards based on equity</td>
</tr>
<tr>
<td>People work in order to live</td>
<td>People live in order to work</td>
</tr>
<tr>
<td>Higher share of working women in professional jobs</td>
<td>Lower share of working women in professional jobs</td>
</tr>
<tr>
<td>Humanization of work by contact and cooperation</td>
<td>Humanization of work by job content enrichment</td>
</tr>
</tbody>
</table>
Masculinity Index

[Achievement Motivation]

- Darker color indicates a region with higher masculinity index

### Individualism

- Preference for a loosely-knit social framework in which individuals are expected to take care of themselves; use of "I" instead of "we"
- Countries with high individualism (reinforces individual behavior): very high in US, Australia, United Kingdom, Germany, Netherlands, New Zealand, Italy, . . . to areas with intermediate individualism such as Russia and Brazil to very low in China

### Key Workplace Differences Between Collectivist & Individualist Societies

<table>
<thead>
<tr>
<th>Collectivist</th>
<th>Individualist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diplomas provide entry to higher-status groups</td>
<td>Diplomas increase economic worth and/or self-respect</td>
</tr>
<tr>
<td>Occupational mobility is lower</td>
<td>Occupational mobility is higher</td>
</tr>
<tr>
<td>Employer-employee relationship is basically moral, like a family link</td>
<td>Employer-employee relationship is a contract between parties in a labor market</td>
</tr>
<tr>
<td>Management is management of groups</td>
<td>Management is management of individuals</td>
</tr>
<tr>
<td>Relationship prevails over task</td>
<td>Task prevails over relationships</td>
</tr>
</tbody>
</table>
Some Results of Hofstede’s Work on National Cultural Dimensions

- Individualism
  - Correlates with national wealth
- Individualism
  - Correlates with innovation (measured by patents)
- Masculinity
  - Correlated (negatively) with percent of women in democratically elected government
- Power Distance Index
  - Correlated with income inequality in a country
How Does Power Play Out Across Cultures?

“Culture eats strategy for lunch.”

Road Map
- Power
- Culture
- Persuasion Principles
- Two Magic Ingredients
- Case Example
- Decision Making
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Power & Influence/Persuasion-I
- Power is what you have
- Influence or Persuasion is what you do
Power & Influence/Persuasion-II

- **Influence**:
  - Concerns the attempt to deliberately direct change a person's thoughts, feelings or attitude
  - Examples: firm handshake, homeless person screaming,
  - Is the broadest of activities

- **Persuasion**:
  - Is when you use communication to try and deliberately change a person's attitude or behavior
  - Examples: selling a car, changing skepticism to belief
  - Is a subset of influence

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Cialdini’s Six Powerful Persuasion Principles (2008)

- **Also See**:
Persuasion Mini-Quiz

1. If you have two options to present to a client or a co-worker, you should first present the least costly one.  
   T or F

2. It is better to tell someone what they stand to gain by moving in your direction rather than what they stand to lose if they don't.  
   T or F

3. If you have a product, service or idea that has both strengths and weaknesses, present the weaknesses early in your presentation.  
   T or F

4. What is the most effective thing you can say immediately after someone thanks you?

5. To arrange for someone to like you and to want to cooperate with you, what is the single most productive thing you can do before you try to influence that person?

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How Persuasion Works - I

- Principle of Liking
  - People like those who like them
  - “Birds of a feather” on steroids
  - Uncover real similarities and offer genuine praise

- Principle of Reciprocity
  - People repay in kind
  - Give what you want to receive

- Principle of Social Proof
  - People follow the lead of similar others
  - Use peer power whenever it’s available

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How Persuasion Works - II

- Principle of Authority
  - People follow leaders
  - Use established leadership

- Principle of Scarcity
  - People want things that are hard to get
  - Create a sense of urgency

- Principle of Consistency
  - People wants to act consistently
  - Accept someone’s request

- Principle of Commitment
  - People need to fulfill commitments
  - Offer small, easy steps

- Principle of Plain Folks
  - People like hearing what they expect to hear
  - Use plain language

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How Persuasion Works - III

- Principle of Optimism
  - People want to see the best in others
  - Be optimistic

- Principle of Pith
  - People want things that are concise
  - Use short, clear statements

- Principle of Diction
  - People want things that are easy to understand
  - Use simple words

- Principle of Anticipation
  - People want things that are easy to anticipate
  - Offer predictable results

- Principle of Conformity
  - People want to do what others do
  - Use social influence

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How Persuasion Works - IV

- Principle of Feedback
  - People want to feel heard
  - Offer feedback

- Principle of Credibility
  - People want to feel trusted
  - Establish credibility

- Principle of Virtuosos
  - People want to associate with the best
  - Use expert opinions

- Principle of Selectivity
  - People want to associate with like-minded people
  - Use selective associations

- Principle of Cycles
  - People want to feel comfortable
  - Use familiar patterns

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How Persuasion Works - V

- Principle of Power
  - People want to feel powerful
  - Use power language

- Principle of Authority
  - People want to feel respected
  - Establish authority

- Principle of Social Proof
  - People want to feel accepted
  - Use social proof

- Principle of Reciprocity
  - People want to feel appreciated
  - Use reciprocity

- Principle of Plain Folks
  - People want to feel comfortable
  - Use plain language

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How Persuasion Works - VI

- Principle of Authority
  - People want to feel powerful
  - Use power language

- Principle of Authority
  - People want to feel respected
  - Establish authority

- Principle of Social Proof
  - People want to feel accepted
  - Use social proof

- Principle of Reciprocity
  - People want to feel appreciated
  - Use reciprocity

- Principle of Plain Folks
  - People want to feel comfortable
  - Use plain language
**Principle of Likability**

- People like people who like them
- So, **first**, get to like the people you’re dealing with
- Once they realize we like them, everything changes!
- **Second**, people would rather say “yes” to people they like as opposed to people they don’t like

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**I just so happen to have the perfect car for you on my lot right now.**

Super salesman, Joe Girard

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**The Magic of Tupperware Parties**
One Example – The Power of Likability

[Casciaro and Lobo, “Competent Jerks, Lovable Fools, and the Formation of Social Networks,” HBR (June 2005)]

What Work Partners Do We Choose for Complex Work?

Who Do We Want to Work With?

Increasing Likability

<table>
<thead>
<tr>
<th>Increasing Competence</th>
<th>Competent Jerk</th>
<th>Lovable Star</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incompetent Jerk</td>
<td>Lovable Fool</td>
<td></td>
</tr>
</tbody>
</table>
How Does Likeability Work?

- Birds of a feather flock together
- We like people who:
  - Are like us
  - Do like us
  - Cooperate with us
- It is not to get people to like us – it is that they recognize that we like them
- We listen to people that we like

Principle of Liking

1. We like people that are like us – birds of a feather . . . .
2. Demonstrate human connection & cooperation
3. We listen to people whom we like – so work on liking the other person

Reciprocity

- A universal sense of giving back to those who give to us, something of similar value
- As humans – we hate to be indebted to someone else
- Reciprocity is fundamentally embedded in almost all religions and philosophies
How Can a Waitress Increase Tips?

Reciprocity & Tips

• Recent study shows that if I am a waitress at a table and when I bring the bill to the table at the end of the meal, if I leave a mint with the bill, the tip increases.
• If two mints are left, the tip goes even higher
• If I leave a mint, turn to leave, then turn back and say, “For you folks here is another mint.” – the tips went through the roof
• Obligations increase if the action is special, personal, and unexpected

Door in the Face Technique

• Two steps
• Very large initial request (will probably be denied)
• Much smaller second request (enhanced likelihood of acceptance)
• Idea is of reciprocal concessions
Experiment on Reciprocity

Reciprocity

1. A universal sense of giving back to those who give to us, something of similar value
2. Make it special, personal and unexpected
3. Consider first making a large request, and if it is rejected, then make a smaller request
4. Offer the more beneficial product or service first
5. Use the moment after “no” for leverage

Social Proof

• In ambiguous situations we often look to others to determine what is appropriate (e.g., behavior, product choice)
• We allow their behavior to influence ours
• Examples include the bystander effect and copycat suicides (extreme case – 1978 Jonestown 909 suicides)
Solomon Asch

- American social psychologist
- Interested in:
  - Conformity
  - Impression formation (how we easily form impressions of others who may be complex)
  - Prestige suggestion (we believe those who have prestige)

Example – The Power of Social Proof
The Asch Experiment (1953)

How Social Proof Works

- Colleen Szot, the Queen of Infomercials
- Featured in *But Wait . . . There’s More!*

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Principle of Social Proof
1. We like people who are like us and we will tend to do what they do (we are affected by our friends, the friends of our friends, and the friends of the friends of our friends)
2. Broadcast your most popular option and offer it
3. When restaurant owners put “This is our most popular dish” on the menu – it becomes even more popular – the same for other products

How Persuasion Works - II
- Principle of Consistency
  - People align with their clear commitments
  - Ask for active, public & voluntary commitments
- Principle of Authority
  - People defer to experts
  - Emphasize your expertise
- Principle of Scarcity
  - People want more of what they can have less of
  - Highlight unique benefits and exclusive information

Principle of Consistency
- One way I can increase the likelihood that you will say “yes” to my request is to get you to take a small step in the direction of that request
- Then, when I make the larger request, I show you that it is consistent with that small step – people want to be consistent
- The first step can be very small
The Usual: “Please call us if you need to change or cancel your reservation.”

• Often used in fundraising and development
• Used to get people from signing petitions to donating to a cause

Foot In The Door Technique

• Often used in fundraising and development
• Used to get people from signing petitions to donating to a cause

Principle of Consistency

1. People want to be consistent
2. Make a small ask that is easy to agree to and then move to the larger request
3. Make commitments active (said out loud or written), public and voluntary
4. If problems, get commitment to value or belief

Use of Authority or Expertise

Milgram's Experiment (1961 - 1963)

How Do We Gain Credibility?

- One way is to mention the weakness of the product, service or idea, first
- From the marketing industry
  - Listerine: The taste you hate . . . three times a day
  - Avis: We're number two . . . but we try harder.
  - L’Oreal: We’re expensive . . . but you’re worth it
  - Peace Corp: The toughest job . . . you’ll ever love


Why was co-founder Kim Kardashian featured in Shoedazzle ads instead of serial entrepreneur and co-founder Brian Lee?
Principle of Scarcity

- Typically: Price, Benefit or Feature Is Available for a Limited Time
- People want what they can't get
- Note: People Fear Loss More Than They are Attracted to Gain

Scarcity

- Holds for information as well as for products, services and benefits
- People are attracted by scarce information as well as by scarce resources

Experiment - I

- For first group, “We have a certain amount of beef of high quality, how many car loads would you like to have?”
Scarcity . . . . also works in your love life

Principle of Scarcity

• Typically: Price, Benefit, Feature, Product or Information Is Available for a Limited Time
• Note: People Fear Loss More Than They are Attracted to Gain – articulate clearly this lose
• Hint: Figure out what people value and align your requests with that
• Hint: When you get new information, immediately tell it to the person you are trying to persuade

Persuasion Mini-Quiz

1. If you have two options to present to a client or a co-worker, you should first present the least costly one.
2. It is better to tell someone what they stand to gain by moving in your direction rather than what they stand to lose if they don't.
3. If you have a product, service or idea that has both strengths and weaknesses, present the weaknesses early in your presentation.
4. What is the most effective thing you can say immediately after someone thanks you?
   • “It is my pleasure, this is what long-term partners do for each other.”
5. To arrange for someone to like you and to want to cooperate with you, what is the single most productive thing you can do before you try to influence that person?
   • Try genuinely liking them!