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AN ANALYSIS OF POWER AND ITS ROLE IN THE
DECISION-MAKING PROCESS OF THE
FORMAL ORGANIZATION

A Dissertation

Submitted to the Graduate Faculty of the
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in

The Department of Management and Marketing

by

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## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Acknowledgments</th>
<th>ii</th>
</tr>
</thead>
<tbody>
<tr>
<td>List of Figures</td>
<td>vi</td>
</tr>
<tr>
<td>Abstract</td>
<td>vii</td>
</tr>
<tr>
<td>Introduction</td>
<td>x</td>
</tr>
<tr>
<td>Chapter</td>
<td></td>
</tr>
<tr>
<td>I. The Nature of Power</td>
<td>1</td>
</tr>
<tr>
<td>Power defined</td>
<td>2</td>
</tr>
<tr>
<td>Production of intended effect</td>
<td>2</td>
</tr>
<tr>
<td>Probability of change</td>
<td>5</td>
</tr>
<tr>
<td>Change in probability</td>
<td>6</td>
</tr>
<tr>
<td>Derivation of power</td>
<td>9</td>
</tr>
<tr>
<td>Value systems of participants</td>
<td>10</td>
</tr>
<tr>
<td>Possession of valued resources</td>
<td>14</td>
</tr>
<tr>
<td>Institutionalized values and resources</td>
<td>18</td>
</tr>
<tr>
<td>Sanctions as the base of power</td>
<td>20</td>
</tr>
<tr>
<td>Reward</td>
<td>23</td>
</tr>
<tr>
<td>Legitimacy</td>
<td>24</td>
</tr>
<tr>
<td>Identification</td>
<td>26</td>
</tr>
<tr>
<td>Conceptual properties of power</td>
<td>27</td>
</tr>
<tr>
<td>Power is a property of the social relation</td>
<td>28</td>
</tr>
<tr>
<td>Power has observable dimensions</td>
<td>30</td>
</tr>
<tr>
<td>Power is potential for action</td>
<td>32</td>
</tr>
<tr>
<td>Power may be either transitive or intransitive</td>
<td>33</td>
</tr>
<tr>
<td>Power is transformable and cumulative</td>
<td>34</td>
</tr>
</tbody>
</table>

iii
II. ORGANIZATIONAL ASPECTS OF POWER.  37

Development of organizational structure.  39
Accumulation of potential.  41
Establishment of role hierarchy.  43
Evolution of power hierarchy.  46

Variations in types of power structure.  49
Authoritative structure.  51
Permissive structure.  53
Collaborative structure.  55

Goal attainment through power structure.  57
Distribution of power to attain goals.  59
Conformity.  61
Creativity.  63
Functional interdependence of participants.  64

III. POWER IN THE ORGANIZATIONAL DECISION  69

Purview of the decision process.  71
Elements of decision and their relationships.  73
Decision-maker and environment.  73
Decision-maker and action.  75
Decision-maker and goals.  77
Action and goals.  78
Dynamics of decision.  80
Recognition of change.  81
Development of alternatives.  82
Evolution of action.  85
Evaluation and adjustment.  86
Participation in decision.  87
Participation in rational decision.  89
Social boundaries for participation.  91
Variability of participation.  93
<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power in the decision process</td>
<td>96</td>
</tr>
<tr>
<td>Power and the decision elements</td>
<td>97</td>
</tr>
<tr>
<td>Effect of power on decision dynamics</td>
<td>99</td>
</tr>
<tr>
<td>Power as a determinant of participation</td>
<td>105</td>
</tr>
<tr>
<td>IV. SUMMARY AND CONCLUSIONS</td>
<td>108</td>
</tr>
<tr>
<td>SELECTED BIBLIOGRAPHY</td>
<td>119</td>
</tr>
<tr>
<td>VITA</td>
<td>128</td>
</tr>
<tr>
<td>FIGURE</td>
<td>PAGE</td>
</tr>
<tr>
<td>--------</td>
<td>------</td>
</tr>
<tr>
<td>1. The Power Spectrum</td>
<td>50</td>
</tr>
</tbody>
</table>
ABSTRACT

This dissertation presents an analysis of the social phenomenon of power and develops some ideas concerning the relevance of power for organization decision. The organization is viewed as a power structure which approaches its objectives through the process of decision. The decision process includes all those activities related to the formulation and promulgation of organizational policy.

The purpose of this study is achieved through research of published findings of behavioral scientists in the fields of political science, social psychology, sociology, and economics. From these separate disciplines are gleaned the factors pertinent to an analysis of power as a determinant of organization dynamics.

An examination of behaviorist writings reveals that power is the ability to alter the probability of occurrence of a desired pattern of behavior. Power is expressed as an inequality resulting from differential abilities to reinforce value systems of actors in the social relation. The direction and magnitude of the inequality is determined from the
control of resources which are perceived to be sources of value satisfaction by social interactors. Resources are classified as institutional, if they are generalized, and personal, if they are specialized, sources of satisfaction.

Organization structure is described as a hierarchy of officially designed roles modified by personal values of role occupants as determined in social roles incongruent with official prescription. Legitimate power, or authority, is distributed through delegation to centers in the hierarchy. Deviations from the authority structure develop from less than perfect integration of values of organization members. The degree of deviation from official prescription is the basis for classification of power structures.

The formal organization attains its goals through the distribution of power. The nature of objectives and the magnitude of power determine whether organization potential is expended to promote conformity or creativity. The risk of promoting one to the exclusion of the other is cited as the opportunity cost to the organization. Opportunity costs are based on the nature of the dependency relation between the organization and its members and are measured in units of value satisfaction.

Decision-making is viewed as a series of relationships
among decision-maker, environment, actions, and goals. These relationships develop in a dynamic setting characterized by changes in one or more of the elements of decision. Decision is effective or ineffective with reference to the ability of the organization to initiate changes in these relationships or to compensate for changes of exogenous origin.

The organization decision-maker includes all those persons who, by participation, are capable of altering the results of decision. Participation in decision is desired by the organization within the limits of role prescription established by rational design. Participation is bounded by member's values which are founded on social roles both internal and external to the organization. Decision is made effective and organization objectives are achieved by transforming undifferentiated potential into participative action.

It is concluded that decision is effected through participation elicited by reinforcement of values of organization members. Differential ability to reinforce values is the source of power and power is the ability to alter probabilities of occurrence of desired events. Effective organization decision is a continuous process evolving from rationally oriented choice, circumscribed by socially determined boundaries, situated in a power actuated structure.
INTRODUCTION

In modern society most activities take place within the framework of structured relationships called "organization." The necessary condition for organization is interaction between two or more persons who perceive that their individual desires can best be satisfied through the combination of personally possessed capabilities or resources. The structured relationships are not once and for all prescriptions but are "rules of the game" which are adaptable to changing situations and the changing desires of the participants. The organization is formalized by the development of objectives for the combination and the acceptance of these objectives by the contributing members. Agreement as to organization and the procedure for attaining these objectives is invariably achieved by compromise. Compromise involves the sacrifice of some degree of individual decisional autonomy. It follows that the decisional autonomy which is surrendered by the individuals is the essence of organization. In turn, it may be inferred that an organization is essentially a mechanism of decision.
Decision, as compromise, rests on the ability of participants to retain decisional autonomy. Stated differently, decision is ultimately the net effect resulting from the interaction of individuals with varying abilities to influence. Traditionally, influence in decision has been relegated to the realm of subjectivity and intuition. Objectivity in decision continues to attract the major share of the attention of decision theorists and analysts. While obviously true that total objectivity in decision is an ideal, it must be acknowledged that the decision-making organism or organization is never blessed with the total knowledge which is required for complete objectivity. If subjectivity must remain an integral part of the decision-making process, it would appear worthwhile to exert some effort toward its clarification. The purpose of this work is to investigate and analyze the decision-making process of organizations with particular emphasis on the subjective elements expressed in terms of power relations.

In order to understand power relations in an organizational context, it is first necessary to develop the concept of power in its generic sense. Chapter I will be devoted to deriving some ideas about power from writings in the field of political science, psychology, and social psychology.
The writer will attempt to portray power in terms of what it is, how it is derived, how it can be measured, and some of its conceptual properties. With this insight into the nature of power, it is possible to look at the organization in terms of power relations.

The organizational aspects of power are proposed in Chapter II. Again it is necessary to depend on behaviorists for development of the power concept in the structured relationship of organization. The structure of power in the organization is examined in terms of the value patterns of members who occupy positions in a role hierarchy. Attention will then be given to the structure of power systems and some variations in the types of these systems. Further investigation of organizational power will be directed toward understanding the relationship between power structure and organizational objectives.

Objectives are formulated and attained through the decision-making process. The organizational decision-making process is the subject under scrutiny in Chapter III. The interaction of the elements of decision and the dynamics of the decision process are studied as a background for the organizational decision processes. With this background it is possible to look into the various types of organizational
structure with the decision process as a guide. Finally the role of organization members can be assessed in terms of their participation in decision.

In conclusion, the writer will attempt to integrate the concepts of organizational power and organizational decision and indicate the significance of the integrated concept for administration of formal organization.
CHAPTER I

THE NATURE OF POWER

The basic characteristic of organization is the interaction of individuals with some degree of agreement as to organizational purpose and method. Continuing agreement cannot obtain unless decisions are made and action-programs developed. Implied in decision is an element of compromise from a plurality of courses of action open to participants. Compromise is the process of choice and necessarily involves the use of influence or power.¹ A theory of organization can never be complete unless it includes a theory of power. As Bertrand Russell has stated, "The fundamental concept in social science, is Power, in the same sense in which Energy is the fundamental concept in physics."² To understand the


organization as a social process, it is first necessary to gain some insight into the nature of this fundamental concept.

POWER DEFINED

The word "power" as a highly abstract symbol has no "meaning" except that which its user wishes to impute to it. In various writings in the social and economic realms power has been equated with authority, influence, control, force, and many other similar terms. In the process of defining power it will be necessary to move downward through the levels of abstraction to diminish the possible ambiguity of the definition. Some of the general applicability of the concept may be lost as a result. However, it is expected that a workable definition can be derived which will be meaningful in its intended application to organizational analysis. Power defined as "production of intended effect" or "probability of change" has certain restrictions which inhibit its usefulness in application to the decision process. These definitions are developed to help clarify the preferred definition of power as a "change in probability."

Production of Intended Effect

Power is most commonly defined as the production of
intended effect. A power relationship under this definition consists of man in his environment with some desire for change. The "intended effect" always occurs in the environment which may include people or things or both. Since the power holder is himself a part of his environment, even those adaptive changes in the individual may be thought of as changes in the environment. The "intended effect" is thus a change in the relationship between man and his environment. Power is said to reside in the person capable of bringing about this changed relationship.

Power exists only with respect to a specific intended effect or objective and must be, therefore, a situational concept. References to the power of the individual are necessarily restricted to the specific situation and specific objectives of the individual in that situation. He can be said to have power insofar as he brings about the desired changes in his relationship with his environment. A further

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restriction inherent in this definition is that power must be exercised before it can be said to exist. This restriction limits the consideration of power to an *ex post facto* and static appraisal of the concept. This preliminary idea of power may best be illustrated by a two-actor relationship in which the actors are symbolized by A and B. Under this definition, an effect intended by A was accompanied by a certain behavior on the part of B which would not have occurred except in the presence of A. A may then be said to have had power which produced his intended effect in the observed situation.

Some writers, among them Martin J. Hillenbrand, have contended that power is the ability to produce, rather than production of, intended effect. Hillenbrand states:

> If we define the term (power) in its broadest sense as the ability to produce intended effects or effects which may possibly be intended, we can find scarcely any sphere of human activity where it does not exist to a greater or lesser degree. . . . The ability to produce intended effects is inherent in any system of relationship between man and man, or between man and his environment.⁶

Power, as the ability to produce a desired change, connotes an absolute quality which proves misleading. A workable

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definition must include the idea of power as a probabilistic concept.

**Probability of Change**

Previously, it was stated that power could be thought of as the ability of an actor to change the relationship between himself and his environment in a given situation. Further clarification of this idea came from Max Weber who acknowledged the probabilistic nature of the power relationship when he said: "Power is the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance, regardless of the basis on which this probability exists." Weber restricts his definition to social relationships, but he could just as easily have extended it to include man's interaction with his environment.

Symbolically, Weber's statement may be expressed as the probability that B does x, given that A does w,

\[ P(B, x/A, w) = p \]

where \( x \) is the action on the part of B which is desired by A, and \( w \) is the action of A. Any

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probability, p, that is greater than zero would seem to indicate that A has power over B in that he could influence B to act in the manner x by acting in the manner w. The limiting assumption of this definition is that B offers resistance to A or that the probability of B doing x is always zero unless A does w. A more complete statement of the power relationship must include the possibility of occurrence of a desired change when actor A takes no action. To understand the nature of power it is necessary, therefore, to compare the probabilities of occurrence of the intended effect when A does and does not do w.

Change in Probability

At some time in any social relationship there exists the possibility that a result desired by a participant is achieved without action directed toward bringing about that result. In terms of the symbols introduced above, there is some probability $p^1$, that the behavior of B will be such that an objective desired by A will be realized. Power, therefore, cannot be imputed to A on the basis of the probability of change. Rather, A's power must be defined as the difference between the probabilities of certain behavior on the part of B in the presence and absence of A. The presence of A is expressed as an act, w, of A in the specific context of
the social relationship with B.

When A does w, there is some probability, $p_2$, that B will do x resulting in a change desired by A. The propositions as outlined above could then be stated:

\[ p_1 = P(B, x/A\bar{w}) \]
\[ p_2 = P(B, x/A,w) \]

where (B,x) is B does x

(A,w) is A does w

(A,\bar{w}) is A does not do w

and $P(B, x/Aw)$ is the probability that B does x, given that A does w.

$P(B, x/A\bar{w})$ is the probability that B does x, given that A does not do w.

It follows that the power of A is defined as a change in probability, or $p_2 - p_1$. When $p_2$ exceeds $p_1$, A is said to have power over B with respect to x; when $p_2 = p_1$, no power relationship may be inferred to exist; and when $p_2$ is less than $p_1$, A has negative power with respect to x. Although positive power, $p_2 > p_1$, is the primary concern of this paper, some attention should be given to the conditions of negative power, $p_2 < p_1$, and zero power, $p_2 = p_1$.

When A does w, and the probability of B doing x is decreased, A is said to have negative power over B.

\[ ^9 \text{Ibid., p. 204.} \]
Observation of reactionary performance would indicate that negative power is a valid proposition. Similarly, the proposition of powerlessness, \( p_2 = p_1 \), demonstrates the independence of A and B in a specified relationship.

Power, as production of intended effect, connotes a direct cause-effect relationship which must be suspect in any analysis, although the causal agent in any relation certainly must be acknowledged as possessing power. With the introduction of probabilities into the definition, power becomes more realistically a concept of the future but fails to include the possibility of independence in the social relation. As the change in probabilities, power exists in the relationship only when the participants are interdependent. However, change in probabilities as presented is limited to a static analysis after the changes have taken place. Many inferences may be made on the basis of changes in probabilities in the past. But the usefulness of power as an analytical device is in prediction or the transition from past to future. To meet these essential qualifications of a useful definition of power, it is proposed that power is the ability to change the probabilities of occurrence of a desired event in a given social context.

Using this definition as a guide, the nature of
power's derivation as well as some of its conceptual properties will be examined. From this examination, it should be possible to formulate some general propositions concerning the phenomenon of power in the formal organization.

THE DERIVATION OF POWER

"The foundations of power vary from age to age, with the interests which move men, and the aspects of life to which they attach a preponderant importance." \(^\text{10}\) In this statement Harold Lasswell cogently demonstrates that there is no universal source of power at a given time, nor is there a particular source of power that transcends time. Power is a function of the values extant as they are perceived by the parties to social interaction. Again, as in defining power with reference to particular objectives in a stated situation, it is possible to view the sources of power only within a specific context. That is not to say that some resources do not have explicit values, or possess utility, for a large segment of the human population. It is to say, however, that the utility of a specific resource may change with the situation. The possibility of power issuing from a variety of

bases would be insignificant "if one kind of resource--say wealth or social standing--dominated all others," according to Robert Dahl. "But," he continues, "this is not the case despite a tradition of economic determinism that runs in a straight line from Madison to Veblen, Beard, the Lynds, and C. Wright Mills." The sources of power must be found in the value systems of people, having unequal abilities to influence, engaged in interdependent activity.

Value Systems of Participants

The value system of an individual can best be described as a hierarchy of levels of aspiration. The most common method of categorizing values is through a dichotomous means-end relationship. Some improvement in classification is obtained by temporal subdivision of ends into ultimate, intermediate, or immediate. Such a division is suggested by the statement of Herbert Simon: "The fact that goals may be dependent for their force on other more distant ends leads to the arrangement of these goals in a hierarchy--each level to be considered as an end relative to the levels below it and

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as a means relative to the levels above it." In this paper, ultimate ends are called values and are seldom, if ever, achieved but exist at the horizon as a guide in setting intermediate ends referred to as objectives. Striving for objectives may be thought of as an attempt to "actualize" values through available instruments commonly designated as means. Through common usage, means has acquired a dichotomous connotation which should be avoided. Following Rosen, Levinger, and Lippitt, any property which has usefulness in obtaining objectives will be termed a "resource." The hierarchy of resources, objectives, and values will serve as a framework for discussion of the value system as a source of power.

An individual, by detaching himself from reality, might possibly be able to establish an ordered system of values which he believes to be permanent and absolute. Man in isolation in a stable physical environment might even be capable of codifying and ranking a relatively permanent scale of values. Changes, however, pose a threat to the perceived security of the individual and his values, which determine


actions, are adapted to the changed conditions. The inclusion of other individuals in the environment increases the likelihood that threatening changes will occur, accompanied by a change in values or a change in their ordering. As the environment is broadened to include larger numbers of people, there may be evidence of some pervasive values which become institutions as they are incorporated into individual value systems. These institutions, though not uniformly ranked by all participants, are the norms by which interaction is governed. Institutions, then, are contingent on some overlap in the value systems of interacting individuals. The greater the overlap or congruency of values of interactors, the greater the probability of standardizing all their values in terms of any individual value. The tradition of economic determinism mentioned above is based on this assumption of highly congruent value systems. To reject economic determinism as a final answer to the question of human motivation is not to reject the importance of wealth as a pervasive value. Only by rejecting wealth or any other single property as a permanent, universal value is it possible to investigate the relationship between the value system and power.

Two assumptions are basic to the analysis of value
systems as the ultimate source of power in the social relation. First, it must be assumed that every individual places value on some relationship with his environment. This relationship may be as simple and mundane as survival or as sophisticated and metaphysical as the possession of omnipotent power. It may be restricted to a single value or may be an elaborate system of values. Second, there is a scarcity of the means by which values are realized. This assumption precludes the Utopian possibility of each individual satisfying his every desire. In striving to obtain objectives determined by their personal value patterns, individuals must compete for the essential resources which are in limited supply.

Power, as defined above, requires that there be some "connection" or dependency between the interacting parties. It has been suggested that this connection is found in overlapping value systems of individuals. It was further suggested that value system determines objectives which are accomplished through use of resources and that values tend to become institutionalized through interaction. For a better understanding of how power is derived from the value system some consideration will be given to the possession of valued resources and the institutionalized values of social interactors.
Possession of Valued Resources. Resource, as used here, refers to any property which may be useful to its possessor or others in the process of satisfying their individual value systems. As a possessor of the resource, the individual must be capable of using the resource in his personal pursuits and either permitting or denying its use to others. It should be noted that resource is not restricted to material properties but may be physical or mental attributes as well. Physical attributes may include such properties as brute strength and dexterity, while mental attributes refer to the ability of the individual to recognize the facility of physical and material resources for satisfaction of values of oneself and others. The resource owner may use the resource in directly satisfying the dictates of his value system, or he may permit its use by others in exchange for certain behavior which enhances his chances of gaining objectives. Power resides in the resource owner to the extent that the resources he possesses are essential to the satisfaction of others.

When the individual can use his resources directly to change his relationship with his physical environment he may be said to possess power. Man's struggle with the elements "has engendered the belief that power over things was the
proper pursuit of man." However, power over things, where things are material properties, may lead to an accumulation of resources and hence to power over people. If unrestrained accumulation of resources is permitted, as advocated by the proponents of rugged individualism, effective control over the lives of people comes to be centered in the economic system.  

While it may be true that power is centered in the economic system, there exists a peripheral area of noneconomic resources which are determinants of power. These resources are particularly important in situations where material possession approaches egalitarianism. With economic equality, power derives from "the possession of certain non-transferable values." Power emanating from unique ownership of a physical resource is amply demonstrated by Aristophanes' Lysistrata, where the power of woman rules supreme. Knowledge, or what passes for knowledge, as a source of power is evidenced by the positions of power accorded the magicians and medicine men of savage communities. Further support for

14D'Antonio, op. cit., p. 146.

15Ibid., p. 146.


17Russell, op. cit., p. 43.
this proposition comes from Proudhon who writes in Qu'est-ce que la Propriété: "In any given society, the authority of man over man varies in inverse proportion to the intellectual development of the society."\textsuperscript{18} It might be inferred that power is a function of relative resource ownership rather than of the absolute level of possession. If all men had the same values and equal resources, power would not exist. According to George Catlin, "Only freedom and self-control would reign or, if 'reign' be thought here inappropriate, there would be an anarchy of pre-established harmony, founded on free moral choice."\textsuperscript{19} Since it is rather unlikely that all men will have either completely dissimilar values or equal resources, power will maintain a prominent role as a behavior determinant in human interaction.

Power was defined earlier as the ability to alter the probabilities of occurrence of a chosen outcome. In the social relation probabilities are altered by inducing a particular behavior which will produce a desired result. Symbolically power was shown to be $P(B,x/A,w) - P(B,x/A,\emptyset)$, or


\textsuperscript{19}Ibid.
the probability that B does x given that A does w, minus the probability that B does x given that A does not do w. Stated in terms of resources, A does w is the equivalent of A granting B the use of resources which are essential to some objective of B. A has power over B if he is the exclusive possessor of resources which B covets. The amount of A's power is not determined by his quantity of resources but by the value placed by B on the objective which A can grant or deny by virtue of A's possession of resources. Power may then be stated as a function of resource possession, given the value system of the one over whom power is held. Once again, if the value system of participants can be standardized in terms of any one resource, power will be a direct function of resource ownership.

Resources have been shown to be an important source of power. However, possession of resources is no assurance that power will accrue to the owner. Power occurs only in interaction and depends on the existence of some system of values of the participants. Not only must value systems exist, but there must be some degree of overlap between systems for power to be generated. If the possibility of power increases with increasing commonality of values, then attention should be turned to the area of institutionalized values.
Institutionalized Values and Resources. Values which are shared by interacting persons over an extended period of time are institutions of that particular social relationship. A resource which may be used by many individuals in attaining a variety of values approaches value status and may in turn be designated as institution. As values are institutionalized the demand for the scarce resources by which they are realized is increased and the possessors of these resources can command a greater "price" by inducing behavior more favorable to his objectives for each "unit" of resource that he surrenders. If all values were institutionalized and could be satisfied through a standardized resource, power might be a simple function of resource ownership, provided the order of the value of institutions was also institutionalized. It is not the intent of the writer to argue the extent of institutionalization but, rather to show institutionalized values as a source of power.

As the value systems of social interactors converge, the possibility of influenced behavior increases if the "state of the arts" or available supply of resources remains constant. A, as a possessor of a bundle of resources desired by B and C and D, will enjoy an increased probability that B does x when A does w. If the probability that B does x is
increased, then A's power with respect to B is increased and
the increase in power is a function of institutionalization
of values.

In addition to its significance in the dynamics of
power development, the idea of institutionalized values will
be useful later in examining the conceptual properties of
power. Institutions are the basis of Richard Schermerhorn's
statement about power configurations: "Assuming that power
is a dynamic process, we may then ask if it tends to repeat
itself in easily identified ways. The answer is yes, though
the patterns may at times overlap. The power process fre­
quently crystallizes into more or less stable configurations
designated as centers or structures of power."20

It has been proposed that the ultimate source of power
is not so much in people, who are a "boundless and indeter­
minate source of it,"21 but in the values which people bring
into the social arena. Strangely, then, only he who has
values may be the subject of power while the power-holder
need have no values other than power itself. This


Machiavellian conclusion would prove sufficient as an analysis of power if humanity could be divided into power holders and power subjects, those with values and those without. The more likely case is that value systems diverge, while having areas of coincidence, and are held with varying degrees of intensity. It was indicated previously that power accrued to those who could supply the resources essential to the satisfaction of the values of interacting individuals. Actually, the resource-holder is a potential power-holder until his control of resources is demonstrated by permitting or denying their use. A concept including both permission and denial is that of sanctions. While the application of sanctions is not a separate source of power, it deserves treatment in conjunction with source as the means by which the resource-holder is converted from a potential to an actual holder of power.

Sanctions as the Bases of Power

To sanction is generally thought to denote the granting of approval or support. Yet the plural form, sanctions, connotes coercive measures of disapproval. In the explication of the bases of power, sanctions will be used as an inclusive concept with both positive and negative aspects. The ability to apply sanctions derives from resource
ownership, or private property, and control of institutions, from the public domain. The interdependence of resources and institutions is suggested by the proposition that the right to private property, in its material form, is itself an institution. But the institution, if traced to its origin, is derived, according to Bertrand Russell from "being able to decide, by the use of armed force if necessary, who shall be allowed to stand upon a given piece of land and to put things into it and take things from it." The somewhat circular reasoning of power as a source of institutions and institutions as a source of power will be clarified in a later discussion of the transformation of power, a conceptual property. It is proposed that power is composed of authority, which is institutionally derived, and influence, which stems from personal attributes.

The personal attributes of a power-holder may be categorized as expertise and charisma. Expertise refers to extraordinary capabilities or knowledge in a particular endeavor which will apparently lead to satisfaction of values of participants. Charisma is a quality which power-subjects impute to an individual whom they perceive to be capable of

\[22\text{Russell, op. cit., p. 120.}\]
removing obstacles in the path of value satisfaction. Closely related to charisma and expertise is the concept of "halo effect." Charismatic and expert properties are generalized to include situations which may be dissimilar to the situation in which charisma and expertise are founded. These personal qualities of the individual may be, in some instances, the only basis for sanctions. More generally, the ability to employ sanctions will develop from both personal and institutionalized qualities.

Sanctions may be either a perceived or an actual ability to reinforce the value systems of social interactors. The power subject may erroneously perceive the ability of one with whom he interacts to invoke sanctions, but the ability of the power-holder to influence is no less great because of errors in perception. Accepting sanctions as positive or negative, real or perceived, facilitates a classification of power in terms of its bases. As is true in any attempt to classify, complete independence between categories cannot be maintained. The writer has selected the five bases of power listed by French and Raven in their article, "The Bases of Social Power," and collapsed the five into three by

including the positive and negative aspects of sanctions. The three bases are: reward—the ability to reinforce the value system, positively or negatively; legitimacy—the right to prescribe behavior; and identification—the perceived integration of value systems.

Reward. Reward was defined as the ability to reinforce the value system of others in either a positive or negative direction. Viewing the ability to reward in terms of actors A and B and their respective acts w and x, the acts, w, of A may be thought of as the rewards of B. The probability of B doing x, and consequently A's power over B, changes with the desirability of w for B and with A's ability to perform w. As A actually acts in a manner w, the attraction of A for B will increase over time, and A will gain the power of identification as well as reward power over B. However, if A promises to do w in return for an x which B finds impossible, or if A promises w which he cannot perform, A loses his power over B. B's perception of A's ability to reward changes through time with the actual reward ability demonstrated by A. A may have a potential for power over B, through possession of resources or control of institutions valued by B, but A's actual power over B is based on sanctions in the form of reward. Power, in a hedonistic
perspective, need have no other base, provided pleasure is
gained or pain avoided by submitting to legitimate authority
or following an identified leader. To avoid speaking of the
pleasure of submission or following, legitimacy and identifi-
cation will be treated as separate bases of power.

Legitimacy. Legitimacy was stated to be the right to
prescribe behavior. From the vantage point of the power-
holder, all power is legitimate in that the right to pre-
scribe behavior accrues to those who control the reward
system. This writer takes the position that power is neither
legitimate or illegitimate but that one base of power, partic-
ularly in the formal organization, is the legitimacy of
actions. Legitimacy requires that subordinated individuals
acknowledge the right of superiors to act in a power-produc-
ing way, whether those superiors are natural or supernatural,
sovereign ruler or general manager. The acknowledgment of
this right is the equivalent of submission to authority or
"legitimate power." Goldhamer and Shils discuss three major
forms of this legitimate power:

Legitimate power is 'legal' when the recognition
of legitimacy rests on a belief by the subordinated
individuals in the legality of the laws, decrees,
and directives promulgated by the power-holder;
'traditional' when the recognition of legitimacy
rests on a belief in the sanctity of tradition by
virtue of which the power-holder exercises his power and in the traditional sanctity of the orders which he issues; and charismatic when the recognition of legitimacy rests on a devotion to personal qualities of the power-holder.²⁴

Since the laws, decrees, and directives of the power-holder tend to reflect the traditions of the land, legal and traditional power may be combined into the singular concept of authority. The legitimation of authority, according to Robert Presthus, comes about through technical expertise, formal role, rapport, and a generalized deference to authority.²⁵ In the one-to-one power relationship of A to B, it would be proper to speak of "an authority" rather than authority as an institution. An authority derives power from expertise or superior knowledge and possibly rapport. Generalized deference to authority and formal role will be discussed later in the organizational setting.

Reward power has been shown to require resource-ownership by which value systems may be reinforced. Legitimate power, or authority, on the other hand requires the control of institutions accepted by the power subject. The third

²⁴Herbert Goldhamer, and Deward A. Shils, "Types of Power and Status," American Journal of Sociology, XLV (1939), 172.

basis of power requires neither of these and may even exist without knowledge on the part of the power-holder. Identification, as a base of power, may be independently derived or may result from satisfaction in a power situation based on reward or authority.

**Indentification.** Identification differs from the other bases of power in that active sanctions are not required on the part of the power-holder. The power subject emulates, in a one-to-one relation, and conforms, in a group relation, regardless of responses of the power-holder(s). Either the power-holder or the power-subject may be unaware that identification has taken place. Regardless of the lack of knowledge on the part of participants, a power relationship may be said to exist when the behavior of one is modified by changes in the behavior of the other. It would appear that identification would result in impotence rather than power except that emulation of behavior is merely an instrument rather than an end. The one who emulates does so in order to attain the perceived station of the one who is emulated. Identification thus leads to a similarity of value systems and a potential power-source for the referent. The importance of identification as a base of power resides in the use of sanctions. If active, rather than passive,
sanctions are applied, power is transformed from a potential to an actual factor.

Reward, legitimacy, and identification may often occur as independent bases of power. However, power developed on one basis may increase the opportunities for its development from another. Repeated successes in the use of rewards is almost certain to lead to closer identification and closer identification tends to lead to legitimacy. Over a period of time in any social relation power may develop from any one or any combination of these three bases.

No specific definition of power or analysis of its sources and bases can possibly include all the features of this elusive and amorphous phenomenon. It is necessary, therefore, to elaborate on the particular characteristics of the concept as they pertain to the analysis of the structure of organizational decision.

CONCEPTUAL PROPERTIES OF POWER

Some of the properties of power have been developed earlier and others have been alluded to in a casual way. The list of conceptual properties discussed below is not intended to be exhaustive but includes the major characteristics
essential to the understanding of power as a "universal phenomenon in human societies and in all social relationships." To emphasize the social aspects of power is not to deny that power may be reflexive in the sense of "will" power, or that it may exist in a relationship with the physical environment. Rather, it is felt that power as a personal attribute is important only when it is transferred into the social arena, for if it were possible to insulate individual power from social interaction, it could increase limitlessly without apparent consequence. But the purpose of this paper is to promote understanding of the consequences of power and not merely to verify its existence. The conceptual properties of this social phenomenon are presented as an elaboration of the definition proposed earlier in this chapter.

Power is a Property of the Social Relation

Power is a relationship between actors and is not an absolute attribute of a single actor. Actor A may be said


to have power over actor B, provided A can alter the probability with which B will perform a specific act or set of acts. As the set of acts which B will perform at the option of A approaches B's total capabilities, the power of A approaches totalitarianism but only with respect to B. If A can maintain his option with any undesignated B (or many specific B's), it may be inferred that power is an attribute of A. However, even absolute power of A is meaningless unless the behavior of the B's is directed toward some objective of A. Implicit in the relationship between actors is a mutual dependence which implies "that each party is in a position, to some degree, to grant or deny, facilitate or hinder, the other's gratification. Thus it would appear that the power to control or influence the other resides in control over the things he values. . . ."28 The degree of dependency, and hence the potentiality for a power relation, depends on the availability of substitutes or alternative avenues for attainment of objectives. The available alternatives are most likely to be other social relations, with similar dependency requirements but differing in "costs." "Cost," as used here, is opportunity cost measured in terms of value

28Emerson, loc. cit.
satisfaction derived from the particular behavior set required to maintain the relation.

Power is shown to be a product of a specific relationship between actors, each of whom has certain objectives that are mandates of individual value systems. The necessary condition for interaction is some degree of mutual dependency between actors for gratification of desires. Close observation of the social relation not only will reveal that power exists, but also will show that it has recognizable dimensions.

**Power Has Observable Dimensions**

Power exists only as an intervening variable and as such cannot be observed or measured directly. It does, however, have certain properties or dimensions which can be inferred from observations of behavior patterns of actors in the social relation. According to Bertrand de Jouvenel, power may be dimensionally classified as extensive, comprehensive, and intensive. In his words: "It is extensive if the complying B's are many; it is comprehensive if the variety of actions to which A can move the B's is considerable; finally it is intensive if the bidding of A can be
pushed far without loss of compliance." These dimensions are essentially the same as those discussed by Dahl and referred to as extension, scope, and amount. A fourth dimension which should be considered is that of cost. John C. Harsanyi suggests that cost is an essential dimension of power and defines it in terms of the opportunity cost to the actors. The inclusion of the cost dimension in the explanation of power is justified by Harsanyi's statement that "A's power over B should be defined not merely as an ability by A to get B to do X [x] with a certain probability p, but rather as an ability by A to achieve this at a certain total cost u to himself, by convincing B that B would have to bear the total cost v if he does not do X [x]."

The amount, scope, and extension of power, as potential, may be roughly approximated from the possession of resources and control of institutions that have value for B.

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32Ibid., p. 69.
The actual power available to A develops from the ability of A to apply sanctions. The use of power, in the final analysis, depends on its expected costs, or the weighted average of the costs of successful and unsuccessful attempts to alter B's behavior. The significance of the dimensional properties of power is not restricted to situations in which power is actually exerted, since it is often more important to evaluate the possible consequences of potential acts than to examine the results after commitment.

**Power is Potential for Action**

The definition of power as an ability to alter probabilities may be re-worded as the ability to choose a desired outcome without any change in meaning. Outcomes, or objectives, have been predicated in this analysis on actions of B. The actions of B, in turn, have been based on A's potential actions as perceived by B. It follows that power is potential for action, while action is the expenditure of potential toward the realization of some chosen objective. (If power

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33Although the central theme of this paper is "how" power enters the decision process, rather than "how much" power exists, it is important to note that some sophisticated attempts have been made toward the measurement and comparability of power by Dahl, Harsanyi, Simon and others.

34Abramson, et al., *op. cit.*, p. 17.
is itself a dominant value, there is no reason why the objective cannot be to increase the potential for action.) The implications of power for the decision-making process are obvious if decision-making is described as choice-action-outcome and power is defined as the ability to choose an outcome through the property of potential for action.

**Power May be Transitive or Intransitive**

The proposition that power is a product of the social relation and not an absolute attribute of the individual precludes the possibility of answering the often posed question of who the power holders are. Because A has power over B and B has power over B₁ does not mean that A has power over B₁ unless B and B₁ both perceive A as being capable of gratifying their individual desires. Power of A will be transitive if the resources possessed by A may be generalized to all the B's, or if the value systems of the B's are approximately congruent. Inversely, deviations in value systems of B's, or specificity of resources of A, will lead to intransitivity.

The complete intransitivities of power would have the effect of restricting organizational decision to individual bargaining. Transitivity, on the other hand, would permit the establishment of a power hierarchy with unrestricted delegation from the apex to the base. A realistic study of
power as a variable in the decision process must take cognizance of the possibility that power may be transitive or intransitive.

**Power is Transformable and Cumulative**

Power exists in numerous forms according to the bases from which it springs. Various classifications of power include such forms as naked power, arising from brute force; coercive power, based on severe deprivations or punishment; reward power, derived from ownership of coveted resources; legitimate power, entrusted to those who control institutions; and so forth. Classification affords a "closed system" concept which conveniently limits investigation to practical bounds. But power defies rigid classification because as Bertrand Russell puts it, "Power, like energy must be regarded as continually passing from any one of its forms to any other. . . . The attempt to isolate any one form of power (in our day, the economic form), has been a source of errors of great practical importance."\(^ {35}\)

Though power is said to be easily transformed, there is an intermediate step in the process which should be introduced. Power, which is potential, is exercised in one form

\(^ {35}\)Russell, op. cit., p. 12.
to obtain other potential sources of power. For example, naked power can be converted into possession of resources which are the source of reward power, which may in turn be used to increase brute force, the source of naked power.

(Fortunately power is not the only value and power is occasionally transformed into sources of immediate and terminal satisfaction.)

Implicit in the process of transformation of power is the investment of power in other sources of power. Through investment, the power base is expanded or potential for power is accumulated. Power of one type tends to adhere to power of other types in a cumulative pattern. These patterns are likely to repeat themselves in relatively stable configurations which may be designated power structures. Power structures have value systems which are strongly oriented toward further accumulation of power. An obvious conclusion that can be drawn is that power is the only effective control for power, whether the arena be intra-firm or international.

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This chapter has advanced some ideas about the generic nature of power and some of its sources and unique characteristics. The presentation was not intended to be an exhaustive analysis of power in all of its ramifications but was designed to establish a background for the organizational aspects of power to be developed in Chapter II.
CHAPTER II

ORGANIZATIONAL ASPECTS OF POWER

The declared purpose of this paper is to analyze power and its application to the decision-making processes of the system referred to here as the formal organization. The first chapter was devoted to explicating the nature of power by developing a definition of the concept in keeping with its function as an intervening variable. Power was said to be an elusive phenomenon which existed between sources, as potential, and outcomes, as actualization. By definition, power is the ability to alter the probabilities of occurrence of a chosen outcome.

If organization is defined as a combination of individuals seeking to attain personal goals through interaction, and formal organization has the qualification of orientation toward attainment of a specific goal, the significance of power in its organizational context\(^1\) is immediately apparent.

\(^1\)Organizational context as used here refers to the boundaries of the formal organization which are defined as being at the point of exchange relations with the environment. The organization exists as a "steady state" of ceaseless activity, with input and output, directed toward a specified goal.
Goals, sought through organized activity, both individual and collective, are achieved through the use of power. Organizational goals are realized through mobilization of the capabilities of participants— an act of power depending on the ability of the organization to reinforce the value systems of the individual members. It should be kept in mind that both individual and collective goals are defined as relationships between the actor and the relevant part of the external situation in which he acts.²

The purpose of this chapter is to examine the organizational aspects of power and the relevance of these concepts for goal attainment. It is maintained that an organization is a network of structured relationships determined by compromise among its members as to what the goals of the organization will be and as to the procedures by which they will be pursued. It is further maintained that these relationships and that the resultant network is in essence a power network or structure. This study of power in the organization is concerned with how organization structures are developed and how power is distributed throughout the

structure, with variations in the types of structures, and with the attainment of goals through these structures.

DEVELOPMENT OF ORGANIZATION STRUCTURE

Much of the effort of organization theorists has been directed toward developing models of organization structure. Emerging from the work of these theorists are two distinct types of ideal models which Alvin Gouldner has classified as the "rational" model and the "natural-system" model. According to Gouldner, the rational model of organization is "a rationally conceived means to the realization of expressly announced group goals. Its structures are understood as tools deliberately established for the efficient realization of these group purposes." The rational model structure is composed of "manipulable parts, each of which is separately modifiable with a view to enhancing the efficiency of the whole." The natural system model, on the other hand, regards organization as a whole, structurally composed of "emergent institutions, which can be understood only in relation to the diverse needs of the total system. . . . Organizational


\[\text{\footnotesize 4}\]Ibid., p. 405.

\[\text{\footnotesize 5}\]Ibid.
structures are viewed as spontaneously and homeostatically maintained. . . . The empirical focus is thus directed to the spontaneously emergent and normatively sanctioned structures in the organization. “

Individually, the rationalistic and naturalistic models are useful in gaining insight into segments of organization structure. There is an inherent possibility, however, when either model is ignored (or taken as given at some constant value), that "structure" will be identified with the most visible characteristics of the organization to the neglect of less obvious, but no less important, variables. Taken together, the two models may be used to present a comprehensive analysis of the organization and its structural development as an adaptive, continuing process. This process is described here as being based on power, with power, in turn, being based on rationalistic and naturalistic variables.

To analyze structural development, it is necessary to regard the process as though it were stationary or were chronologically ordered. The three stages of development used here are accumulation of potential, establishment of role

6Tbid., pp. 405-406.
hierarchy, and evolution of power hierarchy. Each of these stages will be considered in terms of the pertinent sources and conceptual properties of power as developed in the preceding chapter. It should be kept in mind that the stages have no particular order but are functionally interrelated.

Accumulation of Potential

From its inception, the formal organization has some potential for power accruing from the agreement of its members as to goals and procedures. The "whole" of the resources which the members agree to contribute is greater than the sum of its parts. Or, the individual participants perceive the reinforcement to their value systems to be greater when their resources are used in combination with the resources of others. The difference between the whole and the sum of the parts is a resource of the organization and, as an exclusive, nontransferrable resource, is a source of power.

By using the excess resulting from combination to mediate rewards, the organization increases its attractiveness to its members. Attractiveness, in turn, promotes identification with the procedural aspects of the organization. Through acceptance, the procedures become institutionalized and legitimimized. Adoption of legitimized procedures is the equivalent of endorsement of the substantive purpose or value
system of the organization. Endorsement of the value system leads to further identification and finally the institutionalization of the value system itself.

It may thus be seen that "an" organization has inherent potential for the accumulation of power. If the organization is the only accessible user of the individuals' capabilities (a monopsonist), or is the sole possessor of resources which will reinforce the individual's value system (a monopolist), the power of the organization with reference to the individual will approach the absolute. (Many theorists have, in fact, equated decisions to participate with total acceptance of existing institutionalized values, and thus regard organization as an authoritarian hierarchy with little or no regard for power.) Since no organization is likely to be the sole user of all the capabilities of the individual or the sole possessor of the means of reinforcement, the power residing in the organization is probably something less than total power. Also, power was said to be dependent on the value system of the individual and his dominant value of the moment might be to avoid exploitation, in which case identification would be less than complete. Further, if other sources of value reinforcement are visible to the individual, the power of the organization is limited to a relative rather
than an absolute function. Says Kenneth Boulding,

> It is not the absolute value of a variable which is significant, but the difference between your value and that of some other comparable person or organization. . . . This sensitivity to difference between one organization and another is an important factor in explaining the whole dynamics of society. . . . 7

It is reasonable to assume that power does accrue from combination, since organizations do exist and their only justification is to increase the probability of occurrence of desired outcomes. Even though power is accumulated through reward, legitimation, and identification, it has no meaning as long as it remains a "free agent" of the organization. Power must have structure before it can be used to accomplish the purpose for which it and the organization were created. Structure is the method by which power is distributed in the organization.

**Establishment of Role Hierarchy**

In the absence of an anarchy of pre-established harmony in which each participant knows what is best to do and does it, some direction must be given to the efforts of organization members. In the formative stage of organization,

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positions may be established in view of the personal capabilities of the contributors. The parts are authorized by the whole to perform specific functions essential to the purpose of the whole. As these functions are repeated over time, the organization develops expectations about the manner in which they will be accomplished. As these expectations pervade the organization, they tend to solidify into prescriptions of the position rather than the individual until they ultimately evolve into procedural institutions and the organization becomes a "system of formal roles that shapes and directs role occupants."\(^8\) The relationship between formal roles may be described as a legitimate power or authority relationship, for "when social action and interaction proceed wholly in conformity to the norms of the formal organization, power is dissolved without residue into authority."\(^9\)

The role hierarchy is seen as the blueprint of efficiency as expressed in the rational model of organization cited by Gouldner.\(^10\) The strata of positions which can best attain the expressly stated goals is authoritatively

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\(^9\)Bierstedt, *op. cit.*, p. 734.

instituted and may be manipulated to meet change by virtue
of authority placed in those positions. Authority is com-
pletely transitive and consequently can be delegated and re-
delegated from the apex of the hierarchy to the base.
Positions cannot identify, but are identified entirely with
the organization making power synonymous with authority and
authority absolute.

To accept unadulterated role hierarchy the partici-
pants must identify with their respective positions and
accept the offered reinforcements to their value systems with­
out question. The rights of the members are surrendered to
the prescriptions of the roles, and choice is restricted to
participation or non-participation. Needless to say, the
qualifications for a pure role hierarchy are seldom met.
Positions are filled by people who bring with them some
values founded in frames of reference outside the organiza-
tion. Consequently, performance in positions is likely to
deviate from that which is prescribed and authority will be
circumvented. Advocates of authoritarian organization are
apt to regard this deviation as dysfunctional, which it may
well be, but only if the authoritarian prescriptions are
capable of developing the full potential of the organization.
The role hierarchy of objective, impersonal power, while
essential to organizational sustenance, is incomplete insofar as it makes no allowance for reinforcement of members value systems outside the limits of the organization. The members must not have power as a value especially when power goes beyond authority.

**Evolution of Power Hierarchy**

It was demonstrated that power in the role hierarchy was limited to legitimate power or authority and was based on "submission to a leader in view of his office, that is, to an institutional figure."\(^{11}\) The success of the authoritative organization is directly dependent on at least three factors: first, on the efficiency of the role prescriptions; second, on the closeness of fit between the person and the position; and third, on the ability of position-holders to reinforce value systems of those subordinate to it. Neglect of any one factor will assuredly lead to deviations between the authority or role structure and the power structure. The first and second factors have received most of the attention of organization analysts while the third has been underdeveloped. This discussion of the power hierarchy is aimed primarily at clarifying the total concept of power and its significance.

\(^{11}\)Schmerhorn, *op. cit.*, p. 6.
for the organization.

Role hierarchies and power hierarchies should not be considered as two separate structures within the organization. Authority is a source or element of power insofar as the role is perceived as capable of reinforcing value systems. Power may exist in the absence of authority if the personal qualities of the individual are the sole source of value satisfaction. Only when the power-holder (sans authority) has strong identity with the organization can the writer conceive of subordinates to that power-holder choosing to participate in organized activity. Observation would seem to indicate that ability to reinforce values is a function of both position and personal attributes. If this observation is valid then it would seem advantageous to view organization as a structure based on power.

Proper perspective for the power hierarchy can best be attained by using the role hierarchy as a base and by thinking of power as a being "concentrated at those points where the dominant values of a group or society are reflected in the most representative fashion. These are points where decisions are made which are accepted by those who will be

12 A typical classification of structures separates the organization into its "formal" and "informal" components.
affected by their consequences." Further, if the portion of power deriving from authority is taken as given by virtue of position, the critical variable in the power hierarchy may be investigated.

In the static analysis of the organization in equilibrium, authority and power must by definition be coterminous. However, if the organization is viewed as being in a steady state requiring continual input and output, it is characterized by change rather than stationarity. Power is accorded to those who have the perceived capacity to reinforce given value systems under a variety of circumstances or a variety of value systems under given circumstances. Since personal flexibility is likely to exceed position flexibility, the power structure will probably diverge from the authority structure. In diverging, the power structure will not merely parallel the authority structure but may result in shifts in hierarchical levels. Changes which result in relatively stable misalignment of the hierarchies will result in the shifting of the formal hierarchy toward the informal or power hierarchy. In the perspective of the natural-system theory,

the power hierarchy is homeostatically and spontaneously evolved, around the efficiency oriented role hierarchy of the rational theory.

The organization as a power structure is a somewhat ambiguous concept. Power is continually changing shape and form while structure is symbolic of rigidity or resistance to change. Power, other than that part founded on authority, may be intransitive, whereas structure connotes a transitive relationship between hierarchial levels. Power is a product of the social relation but structure in part determines that relation. In spite of this seeming incompatibility, power, to be meaningful must be thought of as having structure. This structure is found in the integration of the value systems of the organization and its participating members. The structure will vary with the degree of integration, and integration will vary with the reciprocal capacities for value reinforcement.

VARIATIONS IN TYPES OF POWER STRUCTURES

One of many ways in which power structures may be classified is according to the relative deviation from the authority structure. In choosing this method of classification, the writer is not attempting to portray pure types but
suggests that these types are suggestive of directional orientation. It bears repeating that authority is power which has been legitimated by the members of the organization through acceptance of role prescriptions. Authority is not, from this viewpoint, vested in the person at the apex of the hierarchy and delegated down through the subordinate levels.¹⁴

The three somewhat arbitrary categories of power structures selected for discussion are authoritarian, permissive, and collaborative. Blake and Mouton have devised a power spectrum which can be adapted to these structural categories.¹⁵

A portion of the Blake and Mouton power spectrum is reproduced below:

<table>
<thead>
<tr>
<th>1/1</th>
<th>1/0...</th>
<th>.5/.5...</th>
<th>0/1</th>
<th>0/0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competition</td>
<td>Collaboration</td>
<td>Powerlessness</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FIGURE 1--THE POWER SPECTRUM

¹⁴If authority were regarded as apex-to-base delegation, all structure could be analyzed solely on the basis of authority with no consideration of power. Power acts would be regarded as violations of authority or, at the discretion of the one who delegates, as part of the role prescription.

The spectrum starts on the left with a 1/0 relationship indicating complete power in the superior, and ends with an 0/1 relationship on the right indicating power in the subordinate. The range between the extremes, centering at .5/.5, are indicative of various levels of collaboration. To the extreme left is a 1/1 relationship which indicates competition or "equal" power and at the extreme right is a 0/0 condition which is a state of powerlessness. (Under the definition of power proposed here, both 1/1 and 0/0 conditions would be powerlessness in a given social relation.) The discussion of these types of structures will be descriptive but will also indicate the basic orientation of each in terms of the Blake and Mouton spectrum and how it is derived.

**Authoritative Structure**

The authoritative power structure is characterized by a distribution of power which coincides with the distribution of authority. In the pure type of authority structure, the entire decisional autonomy of the members is surrendered to the organization and re-vested in them through role prescription. Power acts are circumscribed by the lattitude assigned to the position. The amount of lattitude does not determine the type of structure but rather is itself determined by it since lattitude may be legitimized by the
organization. Either highly centralized or de-centralized organizations may be held to be authority structures.

In terms of the Blake and Mouton spectrum, the authoritative structure has the nature of a 1/0 relationship. The members of the organization accept an authority-obedience relationship in which they perceive that personal goals can best be obtained indirectly by working toward organization goals. The value systems of the organization and of the members are integrated to the extent that both are attained by working toward the one. Typically, the values of the organization (say profits in an economic organization) serve as a common denominator for all the individual values. By deciding to participate the individual contracts to exhibit a certain behavior in return for a specific share in the goals of the organization. If the authority is complete, in a 1/0 sense, then the member actually must accept whatever share is offered, and deliver whatever behavior pattern is requested, or exercise his prerogative to resign. If no other affiliation is open to the participant his decision to participate will be based on the relative weight he places on values in his value system; that is, gainful employment and avoiding exploitation.

A power structure, with authority orientation, is
predominantly a superior-subordinate relationship. It will be maintained as long as the opportunity costs to its members, measured in terms of sacrifice of value system reinforcement, is less than it would be in available alternatives. Power is limited by role prescription and the ability to evoke creative and innovative behavior is curtailed. The organization is likely to react sluggishly to change unless the authority is concentrated in relatively few positions with wide latitudes of prescribed behavior.

**Permissive Structure**

At the opposite end of the Blake and Mouton spectrum from 1/0 authority structure is 0/1 permissive structure. In permissive structure, the superior retains authority, and hence power, but the power of personal attributes resides entirely in the subordinate. By being permitted to act over a wide behavior set the subordinate is capable of altering the probability of attainment of individual and group objectives. The authority of the superior is confined primarily to the maintenance of substantive institutions in the form of organization values and the selection of participants. However, permissiveness pervades the structure and power accrues to the individual at all levels in the hierarchy as they
demonstrate personal capability for individual value reinforcement.

In contrast to the authoritative structure, permissive structure features actions directed toward individual goals. The value system of the group is reinforced by the residue resulting from the combination. Coordination of individual effort and continuation of the organization depends on the identification of the members with the values of the organization. Through substantive identification the collective and individual goals are integrated, but the procedures for attaining those goals are minimally institutionalized.

The structure of power in the permissive organization is marked by a high degree of intransitivity unless the individual value systems are similarly constituted. Intransitivity results in more than one superior having power over a single subordinate in contrast to the "chain of command" of the authoritative structure. Rooted in intransitivity is the tendency for power structure to develop into a larger and more complex system of power. As Lasswell and Kaplan stated, "Systems of domination which remained independent of one another and, at the same time, claimed obedience within the same social field, from the same individuals, would encounter
conflicts. Conflicts among power structures result either in the destruction of all conflicting units or in a combination of them into hierarchies.\textsuperscript{16} The permissive structure may thus be thought of as a power hierarchy based largely on personal domination.

**Collaborative Structure**

Between the extremes of authoritative and permissive structure, there exists a range of structures which this writer has chosen to designate as collaborative. Actually, following the Blake and Mouton spectrum, all structure could be classified by the degree of collaboration. But both extremes are non-collaborative and must be identified as to directional deviation. It would appear, then, that a meaningful classification would be collaborative with specified direction. In terms of the spectrum collaborative structure centers at .5/.5 and ranges toward 1/0 or 0/1.

The basic requirement of collaborative structure is the integration of value systems of the organization and its participants. The tendency toward either extreme in structure and the location within the spectrum depends on the relative weights placed on group and individual goals and the

\textsuperscript{16}Lasswell and Kaplan, \textit{op. cit.}, p. 205.
institutionalization of substantive and procedural considerations. The .5/.5 position in the spectrum indicates that power is derived from authority and personal attributes in equal proportions and that value systems are fully integrated though not identical. Power is not coterminous with authority, but all power is directed toward specified objectives of the formal organization, the attainment of which is perceived as the best available means of common fulfillment of relevant goals.

It would be unrealistic to classify a particular organization as having a stated collaborative structure (or any other structure) extending through even a short period of time. Only eclectic observation, by pre-determined selection or accident, would support the contention that an organization has a definite and stationary structure. Power and its structure are functions of the value systems of members of the social relation termed organization. Even if constant value systems (and constant internal ordering of value systems) could be assumed, the degree of integration of those systems will vary among the different decision-areas of the organization at any given time, and the structure of the organization will vary accordingly. Further pressure toward structure variability is inherent in the time-dimension of organization.
The organization can only dispose of its output when that output reinforces the value system of some larger organization. In the absence of an universal value (even survival cannot qualify—"better dead than Red"), the organization must change its output, its values, and hence its structure as it exists through time. (The organization maintains a structure, it is true, but when a given structure becomes its ruling value, it assures its own demise.)

Organization is seen to be a collaborative power structure with internal and external forces contributing to structural flexibility. To continue its existence the organization must serve the value systems of its participants and the value system of the larger organization of which it is a part. Value systems are not served directly, but by accomplishing certain specified, intermediate ends. These ends, or goals, are specified by values and are attained through efforts coordinated by the power structure.

GOAL ATTAINMENT THROUGH POWER STRUCTURE

The goals of the organization are achieved through the mobilization of individual capabilities.\textsuperscript{17} These capabilities, 

\textsuperscript{17}Parsons, "Sociology of Organizations," II, p. 225.
are potential behavior sets of the participating members. The ability of the organization to marshal the behavior sets required for attainment of goals lies in the power structure of the organization and may be described as control. In the rational model control is the ability to manipulate the power structure according to some pre-determined criterion of efficiency. Control in the natural-system model is the ability of the organization to maintain its steady state through homeostatic adaptation. The opportunity for meeting the rational and natural requirements for control is contained in the collaborative power structure described above. The role of the power structure as a control mechanism is explicated by the clarification of Melville Dalton's statement that "Organizations are systems of formal roles that direct and shape role occupants."\(^{18}\) Dalton continues:

Roles never coincide perfectly with players. At times the system must alter roles and manipulate occupants to preserve itself. Personal sentiments encourage and maintain distortions. While appearing to respect the ethics of his group and of the organization, the occupant must be able to take multiple informal roles, and to deal with those of others while preserving the essentials of his charted role. Through personal endowment and aid from others, the strong occupant shapes his role as it guides him, as against the weak occupant who offers only minimum aid to his role.

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\(^{18}\)Dalton, loc. cit.
In variously compromising its ends, the organization forces role occupants to assert, but compromise, their innately human purposes.\footnote{Ibid., p. 259.}

It would appear from Dalton's statement that conflict is endemic to the organization. Conflict between roles and players is essentially conflict between conformity and creativity. If organization goals are thought to be served best by rational conformity, then control is a damping mechanism devoted primarily to maintaining a condition of equilibrium through the resolution of role and player conflict. If, however, those goals can be served best by enlisting creativity and intelligence,\footnote{Dwaine Marvick, "Expectations Concerning Power in a Bureaucratic Arena," \textit{Administrative Science Quarterly}, II (1958), 542.} control is transformed into a guiding mechanism giving direction to a dynamic steady state. Control, in either case, is a function of power. It is through the distribution of power among functionally interdependent individuals or systems of individuals that goals are attained.

\textbf{Distribution of Power to Attain Goals}

Organizational structure is a series of power relations. Each power relation is an input-output system interacting with

\footnote{Ibid., p. 259.}
other power relations in order to attain goals. These goals are attained only when the system can offer output which will satisfy values of the larger system. The formal organization is distinguished from its larger system by specified goals. It is dependent upon the output of its sub-systems to attain its goals and must enter an exchange relation with these sub-systems to obtain input. The medium of exchange within the organization is power, and expenditure of this medium of exchange is in the form of re-distribution in the power structure.

In a strict sense, the organization distributes satisfaction for the value system of the subordinate system. But since value is expressed as a desired relationship with the relevant surroundings and power is the ability to create this relationship, the organization may be said to distribute power.

To attain specific goals the organization must be able to expect the performance of specific sets of acts from each of its sub-systems. The organization expends some of its power in obtaining this disciplined performance or conformity. However, if the potential acts of the sub-system which can be useful to the organization exceed the minimum expected under conformity, the organization may be willing to distribute
additional power-potential to obtain these acts. The extra expenditures of power are directed toward enlisting the intelligent contributions or creativity of the individual.

Conformity. The individual brings with him into the organization a set of behavior capabilities arising from his cognitive, motor, and emotional properties.\(^{21}\) The initial criterion for affiliation with the organization is that this behavior potential includes the capability for performing the specific acts essential to organization purpose. Within this behavior potential is a "zone of acceptance"\(^{22}\) or specific behavior set which the individual is willing to perform in return for the value reinforcement perceived to be offered by the organization. The second criterion of participation is that this zone of acceptance include the required acts. Since the zone of acceptance will vary with the perceived inducement, the organization expends at least some part of its power to assure the inclusion of the essential acts. In the "physiological organization theory"\(^{23}\) of the scientific

\(^{21}\)Rosen, Levinger, and Lippitt, \textit{loc. cit.}.


management era, efficiency could be ascertained by the degree of conformity between the zone of acceptance and the organization requirements.

If the individual is capable of a wider range of acts than are necessary for the performance of his role, the organization must also expend potential in discouraging those acts which are dysfunctional. Disciplined conformity, or limited performance, is accomplished through the expenditure of power in the form of negative sanctions. Negative sanctions, in turn, may lead to some loss in identification which is a further expenditure of power. Unless negative sanctions have positive value for the participants, the organization could bankrupt itself attempting to insure conformity. The obvious solution to this dilemma is the selection of participants with capabilities which coincide with their zones of acceptance and that are limited to the requirements of the position. The distribution of power which results in maximum conformity may be proposed as a rational ideal for the organization in static equilibrium. If the expectations of organization include change, some redistribution of power must be made for continued attainment of organization goals.
Creativity. Expenditures of power to obtain conformity were shown to be made on the basis of certainty about the future. By assuming certainty the organization may direct its efforts and expenditures toward obtaining specific performance. However, if expectations include the possibility of change in either performance or requirements, the organization risks the probability that efficiency will deteriorate. As compensation for this risk, the organization may distribute power to allow for ranges of performance and requirements. Or, power is spent to encourage intelligent contribution and creativity.

At the extreme, the organization may distribute power to compensate for uncertainty rather than risk. In this case, the expenditure on conformity would be eliminated and all performance would be creative. A finite set of capabilities would be induced, through distribution of power, to meet an infinite set of requirements. All behavior would be creative, but the output of the creative sub-system may or may not be usable to the organization in attaining its goals.

As a limit, the concept of uncertainty may be useful in analyzing organizations such as those engaged in pure or basic research. However, the formal organization is defined as having specific goals and thus at most a finite range of requirements to attain those goals.
An organization of totally creative and non-conforming participants would attain a specific goal more often by accident than by design. Because uncertainty is irreducible, however, does not mean that creativity is also without merit even in pursuit of specific goals.

If expectations about change can be stated in a way that some probability of specific goal attainment can be inferred from a finite set of requirements, then uncertainty can be converted to risk. And the expenditure of power on creativity is the allowance made for risk. By spending all its power on conformity, the organization may assure its immediate, specific goals but forfeit the chance to attain its values which are more obscure and remote. Expenditures on creativity could have just the opposite effect. The answer lies in a balance which is a calculated risk. The power which the organization must spend on each depends on the constancy of the requirements for meeting organization goals and on the range of capabilities of individual participants. The total power which must be spent is determined by the nature of the dependency relationship between the organization and its members.

**Functional Interdependence of Participants**

An organization is a system of sub-systems each of
which is a power relation. Just as the power of the sub-system is a dependency relation, so is the power of the organization determined by the functional interdependence of its participants. The reinforcement that the individual receives from the organization depends on the essentiality of his output to the organization goals and on his dependency on the organization for attainment of personal goals. Robert Dubin puts it this way:

Power relations are the relations among organization members that correlate their separate functions according to the necessity these functions have for the organization.

Power relations serve to tie organization members to each other by organizing systems of functional inter-dependence. . . . Each has power but in different amounts, because each performs functions that have different degrees of necessity for the organization. . . .

It should be noted that power relations do not depend on happy agreement among those interacting. Every individual is a participant in a power relationship whether he likes it or not so long as he is performing a function that brings him into a direct relationship with someone else.25

The amount of power the organization is willing to give up in exchange for sub-system output varies directly with the essentiality of that output for organization goals.

The amount of power the sub-system is willing to take, for a behavior-set creating that output varies inversely with the dependency of the sub-system on the organization for satisfaction of personal goals.

When economic wealth is treated as the common denominator for the sources of power, it is not too difficult to determine the "price" the organization is willing to pay for essential output. Since essentiality precludes the availability of substitutes, the price could be stated as value of marginal product or marginal revenue product. Again using wealth as a measure of power, the dependency of the participant on the organization could be asserted as opportunity cost determined by availability of alternative uses. The difficulty of determining price is compounded, however, when the assumption of wealth as a measure of power is relaxed.

The organization can determine the value of contributions only in terms of its own value system which may well be different from the heterogeneity of value systems of its members. Likewise, opportunity costs are net costs in terms of values which the individual holds. True, the organization can buy conformity, or a specified area of behavior, by
offering a package of values which the individual can weigh against alternative offers in order to decide. However, creativity is enlisted only when inducements are based on the value of potential contributions, rather than actual. If both conformity and creativity are perceived as essential to organization purpose, the organization must be willing to accept distribution and re-distribution of its power. The amounts of power distributed and the directions in which it flows are determined by the functional interdependence of the participants.

Every organization has potential for power deriving from the surrender of decisional autonomy by the members. The accumulated power is distributive and is the medium of exchange in the exchange relations with its sub-systems. A power structure develops in accordance with the relative importance of contributions. In an equilibrium condition of the organization the power structure is relatively stable since contributions need only conform to existing requirements. As changes occur, the equilibrium is disturbed and the organization depends on creativity to meet changing needs. Creativity involves a re-distribution of power and hence a change in the power structure. Since various degrees of
conformity and creativity are required at various levels in the organizational hierarchy at various times, the power structure at any time will be composed of dissimilar elements. These elements are described as authoritative, permissive, or collaborative. The efficiency of the organization rests on its ability to utilize a flexible structure in a dynamic environment by spending power to reinforce the value systems of its members. Maintenance of the organization is a function of the decision-making process. How power enters this process is the subject of the next chapter.
CHAPTER III

POWER IN THE ORGANIZATIONAL DECISION

The existence of any organization which has a purpose, other than mere social interaction of its members, is predicated on the ability to make decisions. The formal organization, defined as having specific goals or objectives, is both the product and the producer of decision. It is the product of the decisions of its members to combine efforts for the enhancement of individual values and the producer of decisions about specific goals and methods of attaining them. It might be added that the organization is ever dependent on the decisions of its members to participate. As the values of members change, or as changes occur in members' perception of the organization's ability to satisfy values, the organization must either change its goals to meet the changed need, or attract new members by maintaining the established goals. The dynamics of organization as an input-output system resides in the continual process of decision.

In the usual terminology, choice from among alternatives
seems to be the end-point of decision. Decision is seen to include all those activities which precede choice but not of those activities which follow. The point of view adopted here is that choice is the mid-point rather than the end-point of decision. The decision process is "an effective determination of policy. It involves the total process of bringing about a specified course of action." Decision, as effective determination of policy, is measured in terms of results rather than desires. Standing between choice, as desire, and decision, as result, is the intervening variable of power.

Toward understanding the role of power in the organizational decision, the following pages will be devoted to a somewhat extended examination of decision-making as a continuous, effective process, and to the application to that process of the concepts of power developed earlier. Although an analysis of the decision process is parenthetical to the primary purpose of this paper, it is necessary to dwell on


2Lasswell and Kaplan, op. cit., p. 74.
the relationships among the decision premises and elements in order to comprehend the significance of power in the organization.

PURVIEW OF THE DECISION PROCESS

Decision is necessitated by some deviation or anticipated deviation from a desired relationship between the decision-maker and his environment. In equilibrium analysis, the purpose of decision is to establish a relationship which makes further decision unnecessary. However, in a society characterized by change, or disequilibrium, there appears to be no end to the need for decision. Decision, as process, cannot be suspended in time to provide final answers. Rather, decision is always "forward looking, formulating alternative courses of action extending into the future, and selecting among the alternatives by expectations of how things will turn out." If decision is taken to be effective choice, and some choice is directed toward distant values, then the time span of decision may extend indefinitely into the future.

In surveying the decision process, it is impractical

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to include a significant portion of the contributions of statistical and economic decision theorists. It is felt that the major concern should be to analyze some of the major premises of decision in terms of their importance for organizational behavior. It should be remembered that an organization is said to be a system composed of sub-systems, with each sub-system having an outlet for its output in the larger system. The sub-system may be composed of one or any number of individuals. Further, each sub-system has goals which are attained through exchange with the super-system. Decisions are made concerning output and the organization of resources toward producing that output, and the decision unit may be one person or many.

The situation of decision will be examined with reference to the basic elements of the process, followed by a view of the relationship of these elements in their dynamic setting. Then attention will be turned to the rationality of decision and some of its ramifications. Next the meaning of effective decision in social context will be developed. The view of decision will be concluded with an examination of the concept of participation in decision.
Elements of Decision and Their Relationships

Several writers, including C. West Churchman, have recognized three classes of elements entailed in decision: the decision-maker, a set of alternative actions, and a set of goals. To these three James Bates, in "Model for the Science of Decision," adds environment, as does Herbert Simon in his article, "Decision-making in Economics." Churchman defines the binary relations among these elements, excluding the environment, as the probability of choosing a certain action, the probability of occurrence of a given goal if one of the actions is chosen, and the value of the goals to the decision-maker. These proposed binary relations are the basis for the discussion below.

Decision-maker and Environment. The decision-maker, whether one or many, seeks goals in the form of a changed relationship with his environment. His decisions about goals

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8 Churchman, op. cit., p. 138.
are influenced by his information about his environment.

But, as Simon says:

The decision-makers' information about his environment is much less than an approximation to the real environment. . . . The perceived world is fantastically different from the real world. The differences involve both omissions and distortions. . . . The decision-makers model of the world encompasses only a minute fraction of all the information that is present even in his model. 9

Although the whole of reality may be said to comprise the environment, there are some limits which can be drawn in defining the relevant environment of the decision-maker. The decision-maker is concerned with specific goals and actions and his environment may be described as the situation which limits the goals and actions that are available. For a decision condition there must be at least one goal and two actions in the environment of the decision-maker. 10

In the individual decision the environment begins at the periphery of the personality and extends far enough to encompass the specific goal or goals of the individual. The environment is not constant except with reference to a particular goal of the decision-maker. The limits of the

10 James Bates, loc. cit.
environment may be thought to be drawn by the levels of aspiration of the individual and to change with changing aspirations. The environment is external to the individual and his decisions are the basis for psychomotor activities directed toward changing some relationship with the external state. The individual decision is a molar concept in that the action produced by the individual may be viewed as a whole behavior pattern without regard for the internal development of that behavior.

The organization, as a system of systems, has both internal and external components in its environment. The external limits of decision environment, as in individual decision, are determined by the specific goals with which the decision is concerned. The internal limits extend throughout all the sub-systems whose behavior patterns modify the effectiveness of decision. The organization decision is thus seen to be a molecular concept, composed of actions which are the product of behavior patterns of the sub-systems. Information about the organizational environment is perceptual and inferential with reference to both values and facts that are relevant for the decision-maker.

**Decision-maker and Action.** Alternatives are lines of action which are open to the decision-maker. According to
rational decision theory, actions are ranked by the criterion of efficiency, where efficiency includes both cost and the probability of goal attainment. The rational decision-maker is always neutral as to actions but biased as to goals even if those goals have been selected in a rational manner. However, if two or more actions are perceived as having the same efficiency for attaining a specific goal, the decision-maker may evidence preference for one over the others because of the desirability of the action itself. The relationship between the decision-maker and action may be expressed as the probability that the decision-maker will choose a particular action.11 Rational theory would seem to imply that the probability of choosing the most efficient action would always be one and the probability of choosing any other action would be zero. The implication here is that the decision-maker is not neutral between means and the probability of goal attainment is the product of the probability that a particular action will be chosen and the probability that a particular action will result in the specified goal.

In the effective organization decision, the molar action of the group is made up of a series of molecular

11Churchman, loc. cit.
actions of individuals. Each actor in the decision process has at least two alternative lines of action from which to choose. If actors have some preference as to acts, the probability of the molar action occurring is the compound probability of occurrence of all its molecular parts. Applying the criterion of efficiency to the molar action, the organizational choice will be based on the probability that that action will occur and on the probability that it has for attainment of the designated goal.

**Decision-maker and Goals.** The relationship of the decision-maker to goals is expressed in terms of the value of the goals for the decision-maker.\(^{12}\) This statement would seem to indicate that the decision-maker could assign a weight to various relationships with his environment and rank these goals in terms of value satisfaction. Choice of goals would then be based on the ordered system of goals. The decision-maker would start with stated goals and broaden the environment to include the actions necessary for the attainment of those goals. Implied is a system of values independent of the "state of the arts" by which the values are to be satisfied. By expanding the environment, the decision-maker

\(^{12}\text{Ibid.}, p. 138.\)
can change the state of the arts to include actions required for goal attainment. If the decision-maker, as a goal-seeker, takes the available actions as given, his goals must be set within the area of perceived fulfillment.

The level to which the decision-maker aspires may be said to be both a determinant of alternative courses of action and determined by availability of these courses. The adjustment of goals to capabilities is explained by Simon, who says, "There is a great deal of psychological evidence that the aspirations that influence choice are highly sensitive to success and failure— that persistent failure to attain an aspired level reduces the aspiration; while success raises it."¹³ The decision-maker chooses goals which he has reasonable expectation of achieving.

**Actions and Goals.** The relationship between actions and goals is expressed in terms of the probability that if one of the actions takes place, a given goal will occur.¹⁴ The probability of goal attainment attached to a given action


¹⁴Churchman, loc. cit.
is a measure of effectiveness by which a method of decision may be evaluated. In the individual, rational decision, the primary concern is with which action will maximize the chances of attaining a specified goal. Over some period of time, the available actions will influence the selection of goals and the probabilities of choice of both goals and actions are conditional probabilities. Goals are selected which are perceived as attainable through available actions. The action is chosen on the basis of effectiveness in attaining goals, conditioned by the desirability of the action itself.

In the molar concept of organization decision, emphasis is again placed on the effectiveness of specific actions in attaining given goals. Molar action, however, is dependent on molecular actions which are selected on the basis of effectiveness in attaining goals which differ from those on which molar action is based. From the organization point of view, effective decision is contingent on the probability that a molar action will result in the desired outcome, and on the probability that molecular courses of action will culminate in the selected molar action. The organization is

first concerned that the molar action is within its potential and, second, with the likelihood that the necessary molecular acts will be induced.

**Dynamics of Decision**

A dynamic analysis involves a study of the transition from past to present, or present to future. The decision process is the vehicle by which this transition is accomplished. The purpose of decision is to inaugurate changes in relationships with the environment of the decision-maker. The decision may be directed toward changing either the internal or external state of the decision-maker, or it may be directed toward holding either state constant in the face of change in the other. Whether decision is compensatory or innovative, it results from perceived change or the perceived desirability of change.

Decision, as a continuous process, has no determinable beginning or end and cannot be separated from the context in which it develops. In the words of Melville Dalton:

> We cannot say how much of what develops after a decision is the result of the decision maker's insights, and how much arises from unassessed factors in the ongoing complex. Some executives see the situation as so ambiguous that most people don't live long enough to get blame or credit for their decisions, and that one's decisions may never be proved wrong. Drucker expects a steady increase
in the time-span for testing a decision, and even stronger, Urwick feels that an indefinite future is required to tell the effects of a decision.\textsuperscript{16}

Despite the difficulty involved, some efforts must be devoted to investigating this continuous process known as decision. Since decision is directly concerned with change, it is thought that the recognition of change is an acceptable starting point for the investigation. The recognition of change is empty unless some action program is instituted. Consequently, the study will continue with the development of alternatives and the evolution of action around these choices. Finally, attention will be turned to evaluation and adjustment, which is actually the basis for the recognition of change because the decision cannot be evaluated except as to the change which it has wrought.

\textbf{Recognition of Change.} It has been postulated that the decision-maker in the formal organization is favored with specific goals by which to evaluate his decisions. An added postulate was that goals are in the form of a desired relationship with the decision-maker's environment. Decisions, as final answers, are predicated on the constancy of the environment and the continuing facility of selected actions for

\textsuperscript{16}Dalton, \textit{op. cit.}, p. 190.
maintaining the desired relationship. Changes in either the environment or the facility of action necessitate decision. Decision may be directed toward redefining the relationship with the environment or toward altering the activities of the organization. In either case the decision-maker recognizes some deviation from the desired relationship and is motivated to act toward reconciliation of goals and actions.

The change on which decision is predicated is at best a relative measure. Goals are expressed as relative to the environment while actions are evaluated relative to goals. In order for changes to be observed, there must be some change in relationship of the organization with its external environment and its internal actions. Decision is directed toward establishing and maintaining a desired relationship among the dynamic variables of goals, actions, and environment. The need for decision comes from recognition of some change in the desired relationship.

Development of Alternatives. Changes in the organization-environment relationship indicate a need for change in the action-program of the organization. The organization may respond to change by denying the existence of change through perceptual distortion, or it may compensate for change through a variety of decision processes. Simon has
classified the types of decision into "programmed" and "non-programmed" decision. In keeping with the concept of effective decision, the programming idea can be applied better to the development of alternatives than to decision.

In an individual sense man can merely choose among ready-made alternatives, according to Bertrand Russell. If one of these alternatives is to expand his environment to include other ready-made alternatives, there is no cause for argument with Russell's statement. The programmed decision of Simon may be described as search within a given environment. The decision-maker, perceiving change, searches his "memory" for a previous, similar situation and applies the program which was used for the solution of the earlier problem.

If the new situation does not appear to correspond to some previously experienced situation, the decision-maker develops a new program to meet the new need. Actually, no experience is likely to be perceived as entirely new since perception has its roots in the state of the individual at the time of the experience. A new program is, therefore,

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17Simon, "Role of Expectations," p. 49.

18Russell, op. cit., p. 160.
most likely to be an adaptation or revision of a former program, which may be recognized as part of the learning process. The development of new programs, or modification of old ones, is the equivalent of extension of the decision-maker's environment to include new alternatives.

In addition to formulating alternatives, the decision-maker must choose from among his formulations. The criterion of efficiency would require that all possible alternatives be developed and that selection be based on effectiveness for attaining goals. Since it is reasonable to assume that the number of possible actions is practically without limit, the rational decision-maker's task would seem impossible. But decisions are made, apparently without feasibility studies of all possible courses of action.

An answer to the decision-maker's predicament may be found in Simon's satisficing, rather than optimizing, man.19 The decision-maker selects the apparent best from among known alternatives and weighs it against his level of aspiration. If the results he expects from choosing this course of action equals or surpasses his level of aspirations, he will presumably choose this alternative. If no known alternative

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19 Simon, "Role of Expectations," p. 56.
meets the aspiration criterion, the decision-maker develops new alternatives, one at a time, until he finds a line of action which appears to meet his criterion. And it might be added that if no alternative course of action offers a minimally acceptable result, the attention is shifted to alternative goals or lowered levels of aspiration. The development of alternatives can conceivably involve the mutual modification of both goals and actions.²⁰

**Evolution of Action.** Actions are changes which occur as accommodation for changes in relationships. Those actions are termed desirable which are thought to result in restoring the desired relationship. The development and selection of alternatives is concerned with the determination of desirable courses of action. Choice of a course of action is not the termination of the decision process. Decision is never terminated but is a continuous adjustment process in which actions are adapted to changing conditions to effect a desired outcome.

In the process of adjustment to change, desirable actions, those that have facility for goal attainment, are transformed into desired actions. Desires are communicated

²⁰Diesing, op. cit., p. 19.
to all the molecular components of the total action, and the molecular participants reappraise the requested action on the basis of desirability, or facility for attaining subordinate goals. The resultant action at distant points in the decision process may consequently diverge extensively from the desired action at the molar level. Information about divergence may be fed back to the molar level and, in some circumstances, result in selection of new alternative courses of action without waiting for evaluation in terms of molar goal achievement. In the absence of absolute command performance of a specific behavior pattern, and total acquiescence to that command, some deviation from desired performance is certain to occur. If the deviations do not vitiate organization purpose, the unintended actions are accepted by the organization and the action phase of decision may be regarded as an evolutionary process.

Evaluation and Adjustment. In dynamic analysis, it is impossible to make ex post facto evaluations of decision. However, periodic observations of performance can be compared with anticipated results. From this comparison, which is a measure of change, the decision-maker can determine the desirability for developing new alternatives, establishing new goals, or taking steps toward more rigid enforcement of
desired action. The decision-maker is on a treadmill as far as final answers are concerned. Decisions are made by all those who participate in the choice-action-outcome process. Each participant brings fact and value into the decision, with these facts and values evolving through experiential, perceptual, and inferential process. The organization decision is thus a matter of sequential evaluation of results and mutual adjustment of actions and goals in order to accommodate for perceived changes in a coveted relationship.

Participation in Decision

Decision has been described as effective determination of policy involving the total process of bringing about specific courses of action directed toward the fulfillment of pre-determined desires.21 "In decision making only those participate whose acts do in fact matter. . . . And since the decision-making process includes application as well as formulation and promulgation of policy, those whose acts are affected also participate in decision making."22 Between choice of action and realization of goals lies the body of potential on which effectiveness of decision must depend.

21Lasswell and Kaplan, op. cit., p. 74.
22Ibid., p. 74.
In the organization, the body of potential is composed of systems of decision-makers, each of which has a range of potential actions. Organizational purpose is served only to the extent that sub-systems choose to contribute these potential actions; that is, to participate in the decision of the super-system.

Participation in decision is based on the acceptability of the changes which are anticipated as a result of the decision. That is, the participant commits himself to the chosen line of action as he perceives that this line of action will reinforce his values, whatever they may be. If individual values are inseparable from organization values, participation will depend entirely on the perceived rationality of the action for system goals. If values are wholly or partially determined outside the organization, on the other hand, participation will be bounded by the individual's commitment to a larger social role. The subsequent discussion will concern itself with both the rational and social elements of participation and with the implicit idea that participation may occur in less than total proportions.

23 Simon, "Role of Expectations," p. 54.
Participation in Rational Decision. Rational decision, in its ideal form, is based on a closed system of neutral variables. As a closed system, any influence from outside the system would be felt only to the extent that it affected participation as an all-or-nothing concept. The "all" of participation does not imply a total contribution of all the capabilities of the participant. Rather, participation refers to the willingness of the system member to contribute a specified behavior pattern in return for agreed upon value satisfaction.

A further aspect of the closed system is that once a member chooses to contribute the specified behavior pattern, his influence on the decision process is neutralized and may be taken as a constant value. Since the member may either participate or not participate, the value of the constant will always be either one or zero. Effectively, the decision-making process is reduced to points of decision, and participation in decision is merely the decision to participate.

In less extreme form rational decision may be thought of as occurring within a hierarchy of systems and sub-systems. The super-system makes molar choices which are rational with reference to super-goals. Each sub-system endorses the molar choice insofar as it is rational for the sub-goal. But if
conformity with the molar choice is a condition of continued affiliation, the sub-system is reduced to a neutral variable and decision-theory is a theory of choice.

Frequently mentioned as the ideal type of organization for rational efficiency is Max Weber's system of bureaucratic specialists. The bureau is a sub-system responsible for decisions in a particular area of activity. Bureaus, however, are composed of sub-bureaus, just as systems are composed of sub-systems and the same conditions for participation may be observed. In moving down the hierarchical levels, decisions are made more on factual rather than on value bases. But the decisions to make those decisions depend on the values of the individuals or sub-systems responsible for them.

Insofar as the individual identifies with the values of the system, the participation of the individual will be based on the perceived rationality of the decision for the system. In rational theory of organization, identification is regarded as sufficient as long as the participant is willing to contribute the set of actions requested of him by the organization. The boundaries of participation are established by the prescription of the organization role.

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Social Boundaries of Participation. Every organization is composed of a system of roles with some degree of prescription as to the performance which is expected of the role occupant. In addition to organizational roles, every individual occupies other roles in his segment of society. It would seem reasonable to assume that the various roles which the individual plays are adapted on the basis of mutual value satisfaction to the individual and those with whom he interacts. If the values of the separate roles are identical, the individual's value satisfaction is limited only by his personal capabilities. If, however, the values of the multiple groups with whom the individual identifies are divergent, or the actions which are required in one role are in conflict with the values of another role, the individual is subjected to pressure to choose between them. Participation in a given role is bounded by the prescriptions of all the roles which the individual occupies. The willingness to contribute certain behavior patterns is dependent on the absence of value conflicts. Stated somewhat differently, if the performance of specific acts is perceived as resulting in sacrifice of certain values, the reinforcement to other values must be increased.

The organization is composed of roles or decision
centers each of which participates in the decisions of a larger center of decision. Participation at the lowest decision levels is presumably carried out on a factual basis with reference to organization values. However, the decision centers are composed of individuals each of whom has values based on his multiple roles. One of these roles derives from the decision center itself which has values that are the foundation of the so-called "informal" organization within the "formal" organization. Participation may be based on factual premises with respect to the formal organization, and on value premises with respect to the informal organization. The net effect of participation depends on the conflict among the facts of the system and the values of the sub-system. The weight placed on each, fact and value, is a function of the intensity with which the individual identifies with the conflicting roles.

A further consideration of participation is the expectations that the role-player holds for the participation of other role-players. That is, the individual as an amalgamation of roles, forms a mean-image of other amalgamated roles and participates in a manner which, coupled with the expected

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25Simon, "Role of Expectations," p. 54.
behavior of the mean-image, he can reasonably expect to result in value reinforcement. If the resultant behavior is within the prescribed limits of the formal role, participation will be directed toward organizational purpose. If, however, the behavior is aberrant with reference to the role prescription, it might be concluded by displacement from the formal role and consequently dissociation from the informal role. Thus, it may be seen that the social roles, formal and informal, internal and external, form the basis for participation in decision.

**Variability of Participation.** All of the resources, material as well as human, available to the organization "participate" in the decision process in the sense that participation is used in this paper. Material resources may possess a range of characteristics, some of which are usable by the organization in seeking its goals. The specific property of the resource which the organization desires may also vary over a limited range. If this range is stable through time the resource may be considered to be homogeneous or coming from a homogeneous "universe." If the homogeneous universe lies entirely within the specifications for the desired property, or if the probability that a unit of the resource drawn from the population will meet specifications
is high enough, the organization will accept the resource for participation.

An analogy can be drawn from the behavior characteristics of the human resources of the organization. Both human and material resources possess an infinite number of characteristics, a limited few of which are, or may be, usable at a given time by the organization. The same test for homogeneity can be made to ascertain the presence of the desired properties with both types of resources. The "willingness" of both types to participate might even be considered a function of the "price" or inducement offered by the user. The analogy ends, however, with the introduction of expectations, a characteristic peculiar to the human resource.

Material resource participation may be measured as an attribute, or an all or nothing quality, in a statistical sense, since the material is a neutral resource without expectations. The characteristics, which the homogeneous human resource is willing to exhibit, on the other hand, are a joint function of the expectations of the individual and the organization. Since the number and type of characteristics which the individual contributes may vary, human resource participation is observed to be a variable quality rather than an attribute.
The polemic of rational and social theorists revolves around the choice of the unit by which the human resource may be measured. Although human resources are packaged in individual human bundles, the rational theorist chooses as his unit the particular behavior pattern which is relevant for specific decision. The social theorist selects the total behavior set of the individual as it is determined by the social role. Neither may be judged as "correct" or "incorrect" in isolation from the context in which decisions are made. It should be recognized that human participation may vary according to the perceived value satisfaction which accompanies that participation, and that the values are determined, at least in part, by roles outside the prescribed station in the formal organization.

The need to view human participation in a broader perspective than hedonistic motivation based on some one universal value prompted W. C. Mitchell, in 1914, to say:

It is because they are developing a sounder type of functional psychology that we may hope both to profit by and to share in the work of contemporary psychologists. But in embracing this opportunity economics will assume a new character. It will cease to be a system of pecuniary logic, a mechanical study of static equilibria under non-existent conditions, and become a science of human behavior.26

Regardless of whether the "sounder type of functional psychology" has failed to materialize or whether "economics" has failed "to embrace the opportunity," the need to integrate the contributions of the behavior disciplines appears as great in 1963 as it did in 1914. A key variable that transcends the value sciences is power. And the proper setting for the examination of the dynamics of power is in the decision process which has a future state of affairs as its sole concern.

POWER IN THE DECISION PROCESS

The decision process is aimed at procuring a desired state of affairs in the nature of a changed relationship at some time after the present. The changed relationship is brought about through the coordination of the behavior characteristics of resources available to the decision-making organism. Coordination implies the ability to influence the resources to behave in such a way as to bring about the desired change. The ability to evoke actions has previously been described as the phenomenon of power. If decision is thought to be a process composed of choice, action, and outcome, and power is the ability to influence action, then power is actually control of the decision process.
How power affects the decision process will be discussed within the framework of decision outlined above, and with reference to the nature and structure of power as developed in Chapters I and II.

**Power and the Decision Elements**

The elements of decision were enumerated above as the decision-maker, his environment, alternative actions, and a set of goals. Power, as a social relation, exists only as a property of the interaction between two or more of the decision elements. Since decision is taken here to mean effective decision, the decision-maker is always a part of the relations between the other elements of decision.

The interaction of the decision-maker with his environment contains all the essential elements of a power relation. The environment must depend to some degree on the output of the decision-maker or the decision-maker would be unable to exchange his output for value reinforcement and would cease to exist. Conversely, the decision-maker is dependent on the exchange relation with his environment for value satisfaction. The direction and amount of power is a function of the relative importance of this mutual dependency.

If the decision-maker is the sole possessor of resources valued by the environment, and which have no
substitutes, then he has absolute power over that environment with reference to the decision-maker's specific objective or goal. As a pure monopolist or tyrant, the decision-maker can command his "price" in the exchange relation. At the other extreme of the spectrum in which the decision-maker is one of many, the power of the environment is such that the decision-maker must act in the manner prescribed by that environment. Since both decision-maker and environment are decision-makers in the broadest sense, the system and subsystem relationship may be noted. The power-holder is at a superordinate position in the decision hierarchy and makes choices on the basis of value premises. The power-subject, by being relatively more dependent on the superordinate for his values, makes choices based on factual interpretation of the facility of the choices for super-system goals.

The relationship among decision-maker, action, and goals has been expressed as a conditional probability. The decision-maker may evidence a preference for a particular action apart from that action's usefulness in achieving a specific goal. He also may choose goals which he has reasonable expectations of attaining through actions which are perceived to be available and facilitative in attaining those goals. The probability is conditioned by the decision-maker's
perception of power. Since power is the ability to alter the probability of occurrence of a desired action, the decision-maker is influenced in his choice of goals by his perceived power to evoke the action which will achieve them. Further, if power has value of itself, the decision-maker will prefer those actions which are stimulated by an act of power.

Power enters the choice—action—outcome process of decision at all points in the process. Level of aspiration, or choice of outcome, is established on the basis of past adventures in power relations. Only those alternative courses of action are considered which the decision-maker has reason to believe can be executed. The ability to make effective molar decision resides in the power-holder, whether one or many, and derives from the control of resources essential to the value satisfaction of the molecular decision-makers, or power-subjects.

**Effect of Power on Decision Dynamics**

Decision has been explained as the dynamic process by which undifferentiated potentiality is transformed into events which are expected to culminate in attainment of specific goals. Each event is composed of actions of goal-seeking participants and is organized as a power relation
around the values of those participants. The event, which is molar to the occupants of that particular space-time region, is a molecular action in a larger event, which is also a power relation. Even the organization, limited here to that steady state which is directed toward designated goals, is but an event in the larger context of society.

The organizational decision is directed toward constructing an event on the basis of expectations concerning events which are both external and internal to the organization. Although every event is characterized by a fluid continuity, perceived similarity of position observations of events under what appear to be similar conditions result in a mean-image. The mean-image on repeated observation is taken to be the essence of the event and forms the basis for expectations of those making the observation. But the mean-image is only one parameter of an event. Each event is a variable based on the variable actions of its constituent parts. The structure of the event can be adequately described only through inclusion of variability as well as the mean-image. Effective decision is a function of the combined variables called events. Effectiveness of decision, measured by comparison of desired and observed results, depends on the difference between the actual value of the event and its
expected value. Since each action which has a part in determining an event is a function of the perceived value reinforcement of the actor, and since the ability to reinforce values is the source of power, every event may be observed to be a power structure. The event or power structure subject to position observation at a given time is jointly a function of the values of the structure components and the reinforcement perceived to be available from that structure.

It may be postulated that the greater the amount of power of the decision-maker, the more closely will the action pattern cluster about the mean-image. Also, the greater the power of the organization, the more closely will the mean-images of its internal events concentrate around the image desired by the organization. The decision process is actuated by perceived changes in event images. Changes which are perceived as shifts in the mean-images are thought to be the result of shifts in values of the event components, and changes which are perceived as deviations from a constant mean-image are thought to be chance variations arising from a stable pattern of values. Reaction to change (decision) will depend on the nature of the changes perceived by the decision-maker plus the decision-maker's perception of power.

Changes which are recognized as deviations from a
constant mean involve no redistribution of power. If power and authority are coterminous, the decision-maker may accept the change provided it does not exceed the boundaries of the prescribed role, or, by being sole possessor of value reinforcement, the decision-maker may, through sanctions, restore the former, desired behavior. If, however, power and authority do not coincide, the relevant alternative courses of action open to the decision-maker will be limited to those which he considers enforceable, which is tantamount to accepting role performance outside the boundaries of role prescription.

Changes which appear to be shifts in the mean of the event involve a change in values of event-constituents and will be accompanied by a redistribution of power unless the organization can avail itself of the new sources of value reinforcement. If environment restricts the sources of value reinforcement, organization alternative courses of action may be limited to the changed event, which is in essence a transfer of power to the event itself. A possible consequence is a change in organizational goals to those which can be accommodated by the new events (a changed level of aspiration).

The decision-maker's perception of power may well distort his perception of change and thus influence the
development of alternative lines of action. If authority is correctly perceived as coincidental with power, desired events differ from mean-images of events only as a result of limited capabilities of organization members. If desired events are vital to organization purpose, deviation of mean-image from the desired events cannot long endure and changes will be made in either goals or members. If, however, authority is incorrectly perceived as synonymous with power, shifts in mean-images will be misconstrued as chance variations and attempts will be made to reinforce changed values with no longer acceptable rewards. Alternatives will be selected which are incompatible with the changed events, authority will be devoted to disciplinary sanctions, and alienation of identification will result. As the value systems of the organization and its members are dis-integrated, the power which accrues to authority will dissolve.

It might be added that authority always sows the seeds of its own destruction unless it remains vested in a single individual without delegation. Delegated authority is the delegated ability to reinforce values, and power accrues to the occupant of the position in which authority is vested. Only the purge can prevent power struggles from developing among those to whom authority is delegated in the absence of
a universal value which permeates and dominates the total organization.

It is in the action phase of decision that power is usually thought to be most important, for it is through power that actions are transformed into desired events. The amount of power which resides in a point of decision influences conformance with the goals of that decision-maker. But the actions which are effected at distant points from the alternative choice have been filtered through a series of power structures and possibly power struggles. The amount of conflict and consequent divergence of action is determined by the degree of integration of the value systems of the participating power structures. The closer the identification between successive hierarchical power centers, the more likely are the ultimate actions to develop into chosen events. Ultimate results, if they could be determined, would rest on ultimate actions, and final answers if they could be provided, would rest on the power structure of the organization.

In the dynamics of organization, neither ultimate answers, in the form of choices, nor ultimate results, in the form of terminal value satisfaction, can be determined. The organization must constantly make position-observations and re-evaluate its approach to ever-receding goals.
It is maintained that this evaluation process must include consideration of the power structure of the organization and that decision be directed toward continual redistribution of power to accommodate for changed events in both the internal and external segments of the organizational environment.

Power as a Determinant of Participation

The aspects of participation in organization decision have been indicated to be twofold--organizational and individual. From the organization standpoint individual participation is dependent on the essentiality of a particular behavior pattern within the capabilities of the individual. The individual is willing to participate in the organization decision as he perceives the opportunity cost, measured in value reinforcement, to be satisfactory. As functional interdependents, the individual contribution and the organizational inducement are determined within a power relation. The nature of the power relation will vary according to types of decisions that are required to carry out organizational purpose.

In certain organizations, and in certain areas of other organizations, a high degree of conformity to specified action is essential to either or both organizational and individual purpose. In other segments of society, the need
may be for a relatively high level of creativity. Even a single individual, at different times or in different areas of responsibility, may be alternately expected to create and to conform. The ability of the organization to elicit creativity or conformity, as each is appropriate, is a function of the power relations bounded by the prescriptions of organizational and social roles.

In evoking compliance the organization depends on an authoritative statement of the prescriptions of the role and deference to the institutionalized part of power which adheres to that role. The amount of latitude permitted in each role is determined by the risk involved in obtaining a behavior pattern not included in the specific requirements for attaining organizational objectives. If the risk is great, such as loss of life of the actor or others, the amount of latitude is severely restricted. On the other hand, if the risk is small, or the potential reward to the organization from creativity is great, the organizational structure may be permissive of accumulations of power deriving from sources outside of authority.

Whether the organization promotes conformity or creativity, its ability to attain its goals rests on the capacity to reinforce the values of its members. Each of the
participants is a power-seeker with reference to his personal goals but is a power-holder only insofar as he has authority to mediate rewards for others. He has secured power, but it is an empty box which can only feed on itself since it is only power to obtain the objectives of others. Yet every organization member enters the decision process according to his perception of the power he will obtain to satisfy his personal values. Power thus becomes the only effective check on power, and the organization decision is reduced to a power struggle in a power structure.

The organizational decision process is the mechanism by which the potential of resources is converted into an active program for goal attainment. The effectiveness of the decision process depends on the organization's ability to elicit desired actions from the participants. In the dynamics of organizational activities, the resources enter the decision process as actions and events directed toward the satisfaction of separate system and sub-system goals. Functional interdependence of the parts of the system and the total system create a power relationship which may stabilize into a power structure. Through stabilization the power structure promotes integration of the divergent goals of the participants and the decision process is determined by the distribution of power in the structure.
CHAPTER IV

SUMMARY AND CONCLUSIONS

The role of power in the formal organization has been treated under a variety of headings such as authority, force, discipline, control, and others. The usual procedure has been to equate power with one or the other of its companion concepts or to consider the advent of power into the organization as a dysfunctional intrusion. In this paper, power is considered to be a variable in the organization which can be distinguished and analyzed apart from the more usual and somewhat more socially acceptable concepts.

Power is defined as the ability to alter the probability of occurrence of a desired action or event. This definition was chosen in preference to such definitions as "production of intended effect," and "probability of change" for two reasons. First, power as an ability expresses potentiality which is omitted from the past tense implication in production of intended effect. As potential, power can influence the actors in the organization social arena without
actually being exercised. Second, where probability of change imparts an impersonal, passive impression, ability to change expresses personal potency which is action oriented. As an action variable, power is a key variable in organization, which is social interaction directed toward a specific goal or objective.

As a product of interaction, power has its source deeply imbedded in the value systems of the social actors of organization. Implicitly, a power relation has power-holders and power subjects. But the power-holder possesses power only if he is capable of permitting or denying the use of his possessions for the goal attainment of the power-subject. Neither possession of resources nor control of institutions is power in itself, but each is a potential source of power.

Power is based on the ability to mediate reward in the form of coveted possession. Through reward the power-holder can sanction, positively or negatively, the actions of the power-subject. If the prized possessions are institutions of the organization, power is said to be based on legitimacy. If the power-holder is the object of emulation, power is based on identification. By employing sanctions, the power-holder may convert undifferentiated potential for power into a force for eliciting desired behavior.
Power has certain conceptual properties which are implicit in its definition as the ability to alter the probability of occurrence of a desired action or event. A necessary condition for power is social interaction. Unless the parties to a social relation have some mutual dependency for individual value satisfaction, power cannot exist. Power is the inequality which results from one social actor being interjected between other social actors and their objectives. Every social relation is a power relation and every power relation is a social relation.

As an inequality in a social relation, power has certain observable dimensions. The amount of power may be thought of as the measurable change in the probability of occurrence of a desired action. The scope of an actor's power is the range of behavior over which it can be exercised. Extension is the number of people over whom the actor has power. The added dimension of cost of power explains the feasibility of transforming potential into power.

Power always contains some meaning for the future and little meaning for the past. Power is a potential for action, and action is an expenditure of potential toward the realization of some desired objective. Expenditures of power may be directed toward further accumulation of sources of power as
well as in terminal satisfaction. In this sense, power may be "invested" or "consumed." As an investment, power is potential which is stored for future use.

The value systems of participants in the power-relation have been indicated to be the ultimate source of power. Inasmuch as the values of individuals may have similarities and differences, power may be either transitive or intransitive. If the coveted resources which an actor possesses are generalized over a number of people having different values, power may possibly be a transitive variable. Authority as a component of power, is transitive to all those accepting the institutionalized values which authority comprises. The component of power residing in personal attributes is intransitive unless the personal attributes are also institutionalized.

As an intransitive variable, power may be of limited usefulness to the power-holder faced with changing values of power-subjects. However, power is constantly being transformed from one state into another. Naked power may be converted into a milder form of coercive power and coercive power may result in an accumulation of resources which can be used as reward power. Potential for power is accumulated through the transformation of power from one type into
another. If the values of the members of the power relation remain relatively constant, the accumulation of power-potential develops into a rather stable configuration, or power structure. It is the accumulation of power into structures which characterizes organization formation and growth.

When two or more persons combine resources, through interaction, an organization is formed. The possibility of accomplishing some purpose through combination which could not be accomplished individually causes individuals to surrender decisional autonomy to organization. The resultant structure is a power complex since it can reinforce some values which were not previously being satisfied. The power which accrues from the ability to satisfy values is distributed among the organization members to promote actions directed toward the specific objectives of the organization.

To obtain a continuity of performance some prescriptions are placed on the activities of the individual power holders. The prescriptions are the basis of roles which the occupants of positions are expected to perform. The organization delegates power, in the form of authority, to the various centers in the organization structure in order to assure performance of the specific functions essential to organization objectives. If the occupants of functional
roles perceive the organization to be the sole source of value satisfaction, power is dissolved without residue into authority, and the organization is simply a hierarchy of roles.

Generally, organization members are not insulated from the remainder of society. The members bring into the organization some values which are founded on a variety of social roles from the larger society. If some identification with external roles is maintained, the position occupant is likely to differ from the position prescription. If the difference is an additional source of value satisfaction to subordinate organization members, the position occupant has power deriving from authority plus power deriving from personal attributes. The power structure of the organization may thus be seen to vary with the degree and direction of identification. The whole structure of the organization may be described as a power hierarchy consisting of a system of power relations. The power hierarchy may be classified according to its degree of conformity to the authority hierarchy.

An authoritative structure is said to consist of superior-subordinate relationship conforming to the role prescriptions set forth by the organization. Permissive
structure is described as having little or no role prescription and may be thought of as an inverted pyramid of authority. An intermediate type of structure is called collaborative structure in which power and authority may diverge over a range of relationships. Most organizations will have specific areas of operation which are identifiable with any one of the three suggested types. The usefulness of the classifications is not in type-casting the organization but in recognizing the variations which may occur in power structures.

Power is distributed through the power structure as a means of attaining organization goals and through these goals a means of reinforcing the values of organization members. Some of the power is distributed to obtain specific sets of behavior from the participants in keeping with a master plan of action. Insofar as the organization desires this specific behavior and nothing more, it may be said to promote conformity. If the organization attempts to elicit a range of behavior patterns without specific designation, it is said to encourage creativity. The degree to which each form of behavior is desired depends on the nature of the organization goals and the risk involved in obtaining an unspecified behavior pattern.
The amount, scope, and extension of power in the organization is determined by the functional interdependence of participants. If all members are totally dependent on association within the bounds of organization for value reinforcement, the relationship between members is a relationship without power. If total reciprocal dependency between organization and members could occur, the relation could be described as bilateral monopoly and conflict would be resolved through bargaining. The bargaining process is a power relation which depends on the similarity of values of organization members. A homogeneous value system of members would tend to encourage the formation of the organization members into a collective bargaining bloc. The power relation in the bargaining situation will ultimately rest on the degrees of identification of the members with the operating organization and the bargaining agency; that is, on the way values are integrated in each of the organizations.

Every organization is an input-output system engaged in exchange relations with other input-output systems. In other words, each system is a power relation involved in a larger power relation, with the nature of the relationships being determined by the way in which values are integrated. Final answers, or equilibrium, are consummated only in the
presence of an eternal, universal value.

In the absence of final answers, organization goals may be approached only through a continual process of decision. The decision process comprises the recognition of change, the development of alternative courses of action, the evolution of action, the evaluation of the results of action, and thence back to recognition of change. Organization decision never begins or ends and includes all the activities involved in choice of action and the evolution of outcome. The decision-maker includes all organization members that have a part in determining the effectiveness of decision.

The decision-maker operates in an environment which includes his goals and alternative courses of action. Goals are adjusted to conform to levels of attainment which the decision-maker can reasonably expect with the environment-limited set of alternatives. Alternatives are selected on the basis of their facility for established goals. The environment can be enlarged to include new goals and actions, but the enlargement process is accomplished in a power relation in which the decision-maker is a power-subject except when he is dictatorial or monopolistic. (A dictatorship or monopoly is subject to the same restrictions unless the environment is encapsulated or embraces all of society.)
Every change in goals that requires "new" alternatives is in essence a search for new worlds to conquer after the manner of Alexander the Great. If the organization environment is taken as given, the decision-making process may be viewed as a continuing, mutual adjustment of goals and actions. Organizational decision may be directed toward satisfying goals which are limited by the present state of the arts or toward enhancing the capacity for goal attainment by improving the state of the arts. Necessity may be both the mother and the daughter of invention.

Resources are available to the organization as a mass of undifferentiated potential. Through the decision-process in a power setting, potential is transformed into actions and events. The desirability of specific events may be determined by the facility of the events for organization goals. The likelihood that the events will emerge from the mass is determined by the ability of the organization to reinforce the values of the resource-possessor. To the extent that values are integrated, the organization possesses the ability to alter the probabilities of occurrence of events which are essential to organization purpose. Decisions are made causative at distant points in the organization through distribution of power among power structures.
Effective decision is a function of rational considerations, such as those predominant in economic and statistical decision theory, and of social considerations, such as those founded on the moral and ethical beliefs of individuals. Rational effectiveness is limited by the extent of power in the hands of the delegates of the decision-making organism. The power of delegates is circumscribed by the social norms of participants based on moral and ethical conviction. But enduring power may influence the direction of values placed on social acceptability. Thus decision may be seen to rest on the interaction of rationality, social control, and power. The fabric of decision is woven from socially prescribed yarn, according to rational design, on a loom of power.

In the final analysis, decisions are never "made." Choices are made, but decisions are evolved within the limits of a flexible environment of values, goals, and actions. The limits of the environment of decision and the effectiveness with which decision is evolved are functions of power—the ability to alter the probabilities of occurrence of actions, which are perceived to terminate in desired goals, through exclusive capacity for value reinforcement.
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VITA

Ogden Henderson Hall, the son of William A. and Gladys D. Hall was born in Clayton, Louisiana, on November 8, 1922. He attended public schools in Ferriday, Louisiana, and was graduated from Ferriday High School in 1940.

In September, 1941, he entered Louisiana State University following a curriculum in education with majors in mathematics and physical education. Study was interrupted from January, 1943, until January, 1946, while he was serving in the United States Army and Air Force. On returning to Louisiana State University in 1946, he entered the College of Business Administration and was awarded the Bachelor of Science degree in June, 1948.

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Date of Examination:

August 8, 1963