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Kimpton Hotels - Setting Prices on Priceline (A)

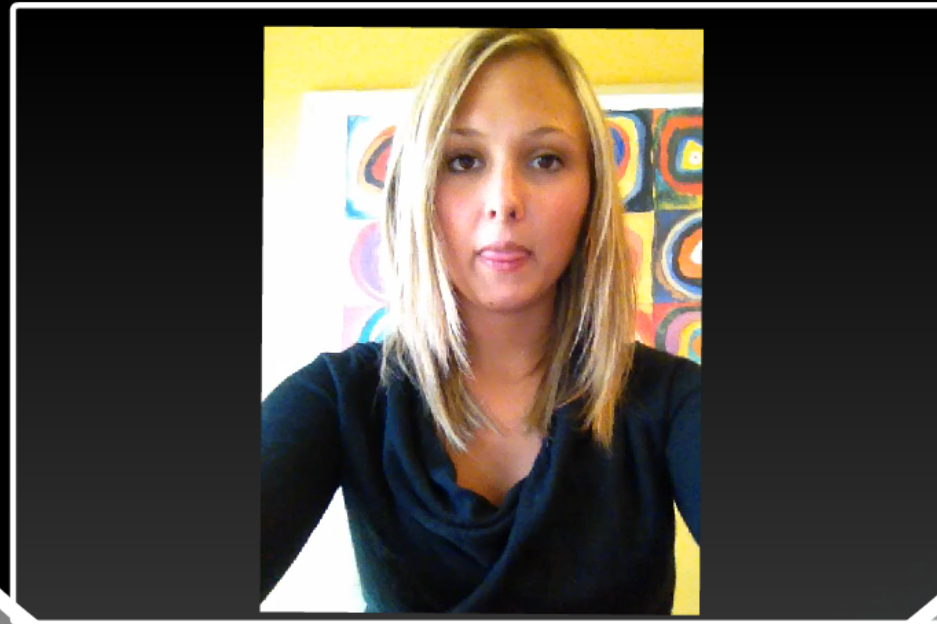
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What is power in
organizations?

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The 14 sources of power

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Formal authority

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"A form of legitimized power that is respected and acknowledged by those with whom one interacts." (Morgan, 2006)


Formal authority can be divided into three sub-categories

- 1- Charismatic authority is when people respect someone because they like this person's qualities.
- 2- Traditional authority is when people respect the traditions and respect people who represent the values and symbolize these traditions.
- 3- Bureaucratic (or rational-legal) authority is when people respect someone based on procedures and formal rules.

Control of Scarce Resources

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People with power in organizations are often the ones who control the resources, from technology to human capital. «If the resource is in scarce supply and someone is dependent on its availability, then it can almost certainly be translated into power. » (Morgan, 2006)



Use of organizational structure,
rules, and regulations

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Structure, rules, regulations and procedures are fundamental in organizations. They protect those who created them, and ensure control and stability in the organization. People using the rules to their advantage can gain power.

Control of Decision Process

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The control of decision processes can be divided into three sub-categories. By influencing decision premises, people can have control on which decisions are made. Having the control of decision making processes consists in «important variables that organization members can manipulate and use to stack the deck in favor of or against a given action.» (Morgan, 2006) By influencing the issues and objectives, one can control decision making by preparing the reports and discussions in their best interests

Control of Knowledge and
Information

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«By controlling these key resources (knowledge and power) a person can systemically influence the definition of organizational situations and can create patterns of dependency» (Morgan, 2006)