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Outline

- Warming up game
- Theory: Power & Influences
- Exercise 1: Video
- Case analysis
 - Introduction: Jack Welch & General Electric
 - Sources of power
 - Influences
- Conclusion
- Exercise 2: Task & Relationship focus?

Treasure Hunt

- Legitimate power
- Referent power
- Reward power
- Information power
- Coercive power
- Expert power
- Coalitions

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Use rational persuasion: Using logical argument & factual evidence to support for the request of action (*Expert power*)

Make people like you: Giving praises or nice compliments to pleasure the target (*Referent power*)

Develop allies: Asking for assistance from other people to influence target people (Coaliations)

Rule of reciprocity: leader suggests an exchange of favors for positive support to a request



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Ask for what you want:

Using position to make staff do exactly what leader want (*legitimate power*)

Extend authority with expertise and credibility: Use the leader's own knowledge or examples from other people to increase the credibility (*expert power*)

Principle of scarcity: highlight what people will lose if they don't follow the leader's request

Case analysis

Jack Welch and General Electric

- · John Francis "Jack" Welch
 - Born in November 1935
 - Coming from working class family
 - Chairman and CEO of General Electric between 1981 and 2001

· Jack Welch & GE

- Joined General Electric in 1960 as a junior chemical engineer
- 1961, planned to quit his job
- 1981, took over GE, youngest CEO in GE's history
- 20 years in CEO position: made GE the most valuable company (rose 4000%)
- Leadership directive: "GE should be No.1 or No.2 in all businesses or get out of them"





Sources of power

- Position as CEO (job description)
- Expertise (skill/ability)
- Knowledge
- Relationship with the staff

Position power

Information power

Access to confidential documents and reports

Legitimate power

- Set high performance standard
- Make changes

Coercive power

- Fire C staff
- Sale off underperformed businesses

Reward power:

Increase salary and bonus