The Many Forms of Power: Crash Course Business - Soft Skills #16

Crash Course: Business - Soft Skills
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We understand the world through the stories we tell about it.

And power seems to always be on our minds. Of course there's, "with great power comes great responsibility" from Spider-Man, while the book Animal Farm has "absolute power corrupts absolutely." And Game of Thrones is just a bunch of power struggles -- with dragons!

When we talk about power, sometimes we use phrases like 'those who have power' and 'those who don't'. But you don't need to be a king, queen, or leading a farm rebellion to have power, because everyone has it in some form or another. And power isn't always a bad thing.

It can be pretty… empowering! So today, we'll be helping you understand the multiple types of power, how to speak more specifically about it, and how to gain power. I'm Evelyn from the Internets.

And this is Crash Course Business: Soft Skills. [Intro Music Plays] Power is the ability to direct or influence other people or a series of events. It's important in business, and life in general. We need power to persuade others, make a change in workplace procedures, or even help us avoid being trapped in jobs we hate.

And with everything that happens in this world and in life, it can sometimes feel like you don't have power. But you do have some. Because power isn't a singular thing.

It doesn't just belong to 'head honchos' like political leaders or CEOs. And it's never as simple as someone 'being powerful' in a vague, general sense. Dependence isn't always a bad thing.

Being in a relationship or a close friendship shows us that a little dependence can be nice. It's good to have a shoulder to cry on or someone to go see a new movie with if we don't want to go alone. Dependence is a teeter-totter.

Adding or taking away dependency changes the balance. If the balance is super unfavorable, we might not be able to assert our needs, and someone might take advantage of us. At work, overdependence makes it more likely that we have to deal with unfair demands.

It could even make us feel stuck in a toxic workplace, being overworked or treated poorly. We become dependent on others because of three factors: criticality, substitutability, and centrality. Criticality is how much a resource, like salary, matters to you.

To check for criticality, ask yourself, "how badly do I need this?" If you're trying to pay back loans without a lot of money saved up, or if your work is super important to you, your job would be pretty critical. So to lessen a job's criticality, you have to limit how much you need what your employer's offering, or increase how much they rely on you. Like, if you want more power relative to your company, you can do work they can't live without, like learning how to use a specific coding language.

Or you can explore hobbies outside of work, to build a better sense of identity that isn't only defined by your job. For example, when I worked at an ad agency, I decided to start a YouTube channel. Substitutability is whether you have other options.

To check for it, ask yourself, "can I get this elsewhere?" Maybe you've found that making friends at work is important to your social life. So you can check how substitutable the job is by trying to make friends outside of work too. Or if you're thinking of quitting your job, it might not feel substitutable because you're afraid that you won't find other meaningful work.

So you can decrease your dependence and increase your job options by networking, updating your resume, and scanning openings every so often to see what's out there. Centrality is how you and other people may be impacted by not having a resource. So that's the question you have to ask: "if this stops, how much and how quickly will myself and others be affected?" If you're only spending money on food and housing for yourself, and you've got a year of savings, then that salary has less centrality than if you were providing for a family.

There are different ways to dial down your dependence through centrality. If you build up 2-6 months of savings, you can give yourself some extra time to look around for a job before you quit your old one. Or if you don't quit until you have another job offer secured, you won't be affected much at all.

Balancing centrality, substitutability, and criticality isn't easy to do. Dependence is tricky. But as long as you stick to your priorities and think about what's valuable to you, it's manageable.

Together, these factors can help shift that dependency teeter-totter in your favor, so an employer will be dependent on you. And groups of employees are usually able to build more power than individuals. You know, the lone wolf dies, but the pack survives.

That's what makes banding together to take collective action so important, either informally or through a union. A union is a group that employees join to help make sure a company respects their rights. Unions do things like advocate for employees during bankruptcies, or hold strikes if members believe working conditions are unfair.

They were extremely important during the 1950s, and sometimes they can be controversial today. But around 10% of the U. S. workforce is unionized.

To see how acting as a group can increase your employer's dependency on you and minimize your dependency on them, let's go to the Thought Bubble. You're working at a video game development company, which was pretty exciting when you started! You've got great dental insurance and there's free coffee and snacks in the breakroom.

But the hours are terrible. You're working 80-100 hour weeks so the company can have their latest RPG ready by mid-Fall, in time for the Christmas rush. But you don't have paid overtime, and you've seen the company's profit statements.

You know you deserve more, and you know they can afford it. Your work is important, but there are hundreds of applicants for positions like yours. So by yourself, you're pretty substitutable from their perspective.

That's why it's good you're a part of a union. When you bring this problem to the leader's attention at the next union meeting, you all decide to take collective action. To prove the company can't function without you, together you decide to walk-out.

Everyone won't work until your demands are met. It's unlikely that all of you will be fired. As a group, you have low substitutability.

The HR department can't hire hundreds of people at once, especially since a lot of your artists and coders have specialized skills. Plus, all of you have high centrality, especially since the game's not fully developed yet. Your company will lose money if orders have to be put on hold, and they need all of you to get this game done.

And because of your union fund that will cover the work you miss

until the strike is resolved, your salary is less central to you. Soon enough, you have extra cash, less horrible overtime, and the company is still producing good games. They weren't happy about the strike, but ultimately you were given what you deserve, which is important.

Thanks, Thought Bubble. Changing the balance of that dependency teeter-totter, by exerting your own control or with collective action, helps build coercive power. Coercive power is all about making credible threats.

We can influence other peoples' behavior by having control over some kind of punishment. This power is what your mom used when she threatened to take away your TV time or WiFi password if you misbehaved. At work, it could be threatening to quit or telling a supplier that you'll find someone else who can offer a better price.

No one likes ultimatums, so people generally respond pretty poorly to coercive power. So you should only use it as a last resort. And don't use it if you're bluffing, because no one will take you seriously if you don't follow through.

Coercive power and reward power are two sides of the same coin. Reward power is having control over things that others want, like really cool projects people want to be a part of, or bonuses. Or elephants.

If you expect something and it's offered with a condition, like "do this task or lose the promotion," that's coercive power. If you didn't expect something, and it becomes "if you do this task, you could be offered a promotion," that's reward power. Reward power can get pretty complicated, especially when it comes to creating incentive systems that motivate people.

So if you want more advice about that, check out our episode on SMART Goals. Like coercive power, reward power only motivates someone if you follow through and aren't asking too much of them. Asking for the impossible is defeating, not motivating.

Plus, reward power can be limiting. Once we get a reward, it's not really a motivator anymore. Separate from threats and incentives, you can use status to build legitimate power.

This stems from you having the right to instruct people, and them having a duty to follow through -- like if you're a project lead or a manager. If you want your legitimate power to actually mean something, then you're going to need to make sure you build trust and act fairly. Don't abuse your privilege.

And if having status doesn't sound possible right now, that doesn't mean you're powerless. You can build charismatic power instead, which we touched on when we talked about emotional influence. You can increase charismatic power by building respect and being well-liked.

People are motivated to do things for people they like, especially if they believe in their vision. Kind of like Steve Jobs's reality distortion field. Basically, his charisma and leadership got people to believe in him.

But be careful not to use charismatic power negatively. Also like Steve Jobs, who used that same distortion field to take credit for others' ideas. And you can build expert power just by knowing your stuff.

People will trust your advice on something complicated that can't be learned easily. You'll slowly build up this kind of power by learning a lot about your field, networking with experts, and finding opportunities to show that you're knowledgeable -- like giving an awesome presentation. But be careful not to oversell yourself, manipulate anyone, or give advice that isn't reliable, because then you'll lose whatever expert power you managed to build.

Now, power is complicated. And working on just one kind of power often isn't enough to shift that teeter-totter and give you control. Like, you can't rely on charismatic power alone, because we're all human and some people just won't like you.

Or if your company has layoffs, you'll lose any legitimate power you had. Power comes at a cost -- whether it's time, money, energy, or opportunities. So we have to make sure we consider our reasons for pursuing it.

It can be used to transform organizations and improve lives, or it can be abused. So use the skills we've taught you to be a fair, thoughtful leader who thinks through decisions. And watch out for building power for power's sake.

It's not inherently a bad thing. But becoming power-focused can make anyone lose sight of what they wanted to do with it in the first place. So, as you find your power, remember: You can decrease your dependence by asking questions about criticality, substitutability, and centrality.

Being aware of how others perceive you is the key to building trust and your reputation. Power isn't a vague construct, and you most likely have power you don't recognize. Consider your reasons for gaining power, and use it wisely!

If you don't know what you're going to do with all that power, the clock's ticking and you're just counting hours, then we suggest you spend time taking care of yourself. So to end the series, we'll be showing you how to avoid burnout and find balance. Thanks for watching Crash Course Business.

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