# Leadership Effectiveness of Referent Power

# as a Distinction of Personal Power

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## *Introduction*

The concept of "referent" power refers to the ability of a leader to influence a follower because of the follower's loyalty, friendship, or admiration of the leader. This paper:

- reviews types and sources of leadership power,

- examines the relationship of personal power—in particular, referent power—and its leadership effectiveness in the context of changing organizational structures,

- evaluates the consistency of positional and referent power with biblical values,

- presents Barnabas as a compelling example of an early church leader's use of referent power, and

- concludes with a personal and practical application of referent power.

## *Key Concepts*

There are several types of power a leader uses (Yukl, 2002; Kerzner, 1998):

- <u>Formal authority (legitimate power):</u> ability to influence through the authority to direct based upon position in the hierarchy of the organizational structure or the perception of official empowerment to issue orders.

- <u>Reward power:</u> ability to influence based upon direct or indirect control over positive consequences a follower desires to gain such as raises in compensation, bonuses, promotions, choice assignments, or other perks.

- <u>Penalty (coercive) power:</u> ability to influence based upon direct or indirect control over negative consequences one desires to avoid such as the <u>lack</u> of raises in compensation, bonuses, promotions, choice assignments, or other perks.

Penalty power is closely akin to reward power as it is generally the inverse of reward power and derived from the same source.

- Expert power: ability to influence based upon expertise or special knowledge considered important to the work at hand.

- Referent power: ability to influence based upon respect, loyalty, admiration, affection, or a desire to gain approval.

A useful and widely accepted concept is to group these types of leadership power sources into two categories: position power (consisting of formal authority, reward, and penalty) and personal power (consisting of expert and referent) (Yukl, 2002, p. 144).

Position power emanates from one's organizational position and the perception that a leader or manager has authority to issue directives and/or controls important resources or desired outcomes. Personal power emanates from one's ability to evoke admiration and respect. As an aspect of personal power, referent power emanates from one's inherent ability to evoke a desired response as a result of an interpersonal trust relationship between the leader and the follower. As organization structures change in today's society, referent power becomes increasingly important in leadership.

Traditional organization structures in medium to large organizations are often characterized by departmentalization, tall bureaucratic structures with narrow spans of control (allowing managers to exert tight control), formal authority-responsibility relationships (with clear line authority for giving orders and having decisions

implemented), and delegation down the chain of command to distribute work to subordinates (Hodgetts, 1975).

The way organizations conduct work is changing from traditional operations (or departmentally-oriented work) often seen in traditional organizational structures.

Over the last several decades, organizations have increasingly recognized the importance of project-oriented work. Projects are temporary organizations that perform work that normal departmental organizational structures are unable to effectively address (What is a Project, 2001). This change is due to many pressing factors such as downsizing (fewer people to do more tasks), larger and more complex products and services, fierce global competition, increasingly easy access to vast amounts of information, increasingly sophisticated customers demanding higher quality, explosive technological growth, and organizations desiring to build global operations (Project Management, 2002).

A more recent development is the self-managed (or self-directed) team. A self-managed team is a group of people having a specific objective and equipped with the necessary resources to do a job themselves without a conventional boss to direct their efforts (Manz & Sims, 1995). Manz & Sims (1995) go on to say: "Work can be accomplished just as well, actually much better, if we eliminate the old concept of boss. Society has reached a stage where we no longer need people that own almost all the power of a work system and order everyone else around. We don't need people continuously staring over our shoulders, telling us what to do and chewing us out for what we've

done wrong. Indeed, the idea of the all-powerful boss is becoming as outdated as the dinosaur." (p. x). Nearly fifty years experience shows that self-managed teams are significantly more productive than any other type of organization (Wheatley, 1997).

In the face of these changes in the way people are organized to do work, the nature of the people that do the work is also changing. Workers today are increasingly "less tolerant of bosses. [They have] less desire to lead or manage, less desire to move up the corporate hierarchy, and defer to authority. Additionally, they have a lower respect for authority and greater desire for self-expression, personal growth, and self-fulfillment." (Manz & Sims, 1995, p. 10).

As an organization shifts its structure from a traditional organizational hierarchy to a project or self-managed team orientation, it needs to shift the style of its leadership from positional power to personal power. Referent power, as an aspect of personal power, becomes particularly important as organizational leadership is increasingly about collaboration and influence rather than command and control.

Referent power is gained by a leader who has strong interpersonal relationship skills. Yukl (2002, p. 150) lists ways for a leader to acquire and maintain referent power:

- Show acceptance and positive regard.
- Act supportively and helpful.
- Use sincere forms of ingratiation.
- Defend and back up people when appropriate.
- Do unsolicited favors.
- Make self-sacrifices to show concern.
- Keep promises.

Genuinely caring about others builds referent power. Acquiring and maintaining referent power requires more than flattery, favors, and charm; ultimately it depends on the leader's character and integrity (Yukl, 2002, p. 150). Referent power is commensurate with the strength of the leader-follower relationship.

## *Biblical Evaluation of Key Concepts*

Positional power is not the type of power that Jesus endorses and models; on the contrary, Jesus teaches that referent power is the basis for influencing others. In Matthew 20:20-29, the mother of James and John asks Jesus for positional power for her sons. Jesus rebukes her, making it clear positional power is not wielded by his followers (as high officials wield power over their subjects). The implication is that any power the disciples have is to be referent, which is derived from their serving of others.

> Then the mother of Zebedee's sons came to Jesus with her sons and, kneeling down, asked a favor of him.
>
> "What is it you want?" he asked.
>
> She said, "Grant that one of these two sons of mine may sit at your right and the other at your left in your kingdom."
>
> "You don't know what you are asking," Jesus said to them. "Can you drink the cup I am going to drink?"
>
> "We can," they answered.
>
> Jesus said to them, "You will indeed drink from my cup, but to sit at my right or left is not for me to grant. These places belong to those for whom they have been prepared by my Father."
>
> When the ten heard about this, they were indignant with the two brothers. Jesus called them together and said, "You know that the rulers of the Gentiles lord it over them, and their high officials exercise authority over them. Not so with you. Instead, whoever wants to become great among you must be your servant, and whoever wants to be first must be

your slave—just as the Son of Man did not come to be served, but to serve, and to give his life as a ransom for many." Matthew 20:20-28 (NIV)

In another example of how leaders are to use referent power rather than positional power, Peter admonishes church leaders to be examples rather than telling others how to behave.

Be shepherds of God's flock that is under your care, serving as overseers—not because you must, but because you are willing, as God wants you to be; not greedy for money, but eager to serve; not lording it over those entrusted to you, but being examples to the flock. 1 Peter 5:2-3 (NIV)

Paul's instructions to the Colossians are clear directions for effective interpersonal relations, the basis for referent power.

Therefore, as God's chosen people, holy and dearly loved, clothe yourselves with compassion, kindness, humility, gentleness and patience. Bear with each other and forgive whatever grievances you may have against one another. Forgive as the Lord forgave you. And over all these virtues put on love, which binds them all together in perfect unity. Colossians 3:12-14 (NIV)

The essence of relating to others is being able to put yourself in their position. Matthew 7:12 sums up the essence of Jesus' teaching about how to treat others in the Sermon on the Mount.

So in everything, do to others what you would have them do to you, for this sums up the Law and the Prophets. Matthew 7:12 (NIV)

## Biblical Example

Two incidents in the New Testament illustrate Barnabas' use of referent power. There is no evidence that Barnabas held any special office in the early church that would

account for his use of positional power. On the contrary, the name of Barnabas means "Son of Encouragement," (Acts 4:36) and indicates that Barnabas was well known for this particular interpersonal skill.

> News of this reached the ears of the church at Jerusalem, and they sent Barnabas to Antioch. When he arrived and saw the evidence of the grace of God, he was glad and encouraged them all to remain true to the Lord with all their hearts. He was a good man, full of the Holy Spirit and faith, and a great number of people were brought to the Lord. Acts 11:22-24 (NIV)

The first incident is Barnabas vouching for Paul and convincing the apostles that Paul's conversion is genuine and that Paul should be accepted in their midst.

> When he came to Jerusalem, he tried to join the disciples, but they were all afraid of him, not believing that he really was a disciple. But Barnabas took him and brought him to the apostles. He told them how Saul on his journey had seen the Lord and that the Lord had spoken to him, and how in Damascus he had preached fearlessly in the name of Jesus. So Saul stayed with them and moved about freely in Jerusalem, speaking boldly in the name of the Lord. He talked and debated with the Grecian Jews, but they tried to kill him. When the brothers learned of this, they took him down to Caesarea and sent him off to Tarsus. Acts 9:26-30 (NIV)

When John Mark deserted Paul and Barnabas during Paul's First Missionary Journey, Paul was bitter and did not want to take John Mark on his Second Missionary Journey (Acts 15:36-39). Barnabas subsequently chose to give John Mark another chance.

> Some time later Paul said to Barnabas, "Let us go back and visit the brothers in all the towns where we preached the word of the Lord and see how they are doing." Barnabas wanted to take John, also called Mark, with them, but Paul did not think it wise to take him, because he had deserted them in Pamphylia and had not continued with them in the work. They had such a sharp disagreement that they parted company. Barnabas took Mark and sailed for Cyprus, but Paul chose Silas and left, commended by the brothers to the grace of the Lord. Acts 15:36-40 (NIV)

"Barnabas had a decision to make… [should he help] a young champion whom others had written off? For Barnabas, the choice was simple – his career was marked by a refusal to abandon good people who needed sponsorship, encouragement, and development." (Buzzel, 1998, p. 1282).

## *Practical Application*

Considering how to improve the effectiveness of my interpersonal skills as a means to build referent power results in a three point approach:

1. Assess the personal strengths and weaknesses of my personal leadership abilities. I've accomplished this step by conducting two surveys of my leadership behavior effectiveness. My own personal evaluation of personal interrelationship skills as my weakest trait was confirmed by the results of both surveys.

2. Expand my insights about interpersonal relationship skills by committing to read three to five books. This step is in progress with these books completed: Healthy Leaders (Yoder, 1998); Be A People Person (Maxwell, 1994); How to Win Friends & Influence People (Carnegie, 1981). Others are queued up for reading.

3. Look for specific opportunities to apply the insights gained. This step is in progress for three key areas in my realm of professional responsibility:

   - Actively seek out opportunities to give verbal recognition of approval, encouragement, and appreciation for the efforts of individual team members.

   - Make time to sit down with individual team members to get to know more about their personal lives and professional aspirations.

- Pursue the ideas set forth by Kouzes & Posner (1995, p. 292) in "Celebrate Accomplishments" with a particular emphasis on celebrating behaviors consistent with key values. My multiple point action plan is to work with a peer leadership team to address these items: 1) What are the key values we're promoting within our team? 2) What are the behaviors that exemplify each key value? 3) Who is exemplifying these behaviors? 4) What does the team think are "meaningful celebrations?" 5) Begin recognition of behaviors exemplifying key values in daily team meetings as well as every two weeks during our "iteration launches."

## *Conclusion*

In the face of unrelenting pressure to continually improve quality and productivity in order to compete in a global society, organizations are undergoing significant and innovative changes in organizing groups of people to work effectively. The nature of the people who participate in work groups are also changing with new and upcoming generations. These factors contribute to a corresponding shift in the types of leadership power that are effective: from positional power based upon formal delegation downward through the organization to personal—especially referent—power based upon the strength of the interpersonal relationship between the leader and the follower.

Referent power is consistent with the teachings of Jesus and the New Testament. There are many examples of Jesus and others exercising referent power. Referent power is fundamentally based upon the second greatest commandment as given by Jesus: "Love your neighbor as yourself." This is perhaps the greatest challenge that all leaders face.

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