

Understanding Power in Organizations

A Strategic Lens on Value, Waste, and Influence

What is Power?

Power is *your capacity or ability to generate value or waste in a system by influencing or directing others' behavior or experience, or the course of events.*

Power is Neutral—Its Use is Not

Every type of power can be used to either **create value** or contribute to **waste**.

- **Value:** Anything customers and investors are willing to pay for—and that associates are willing and able to provide.
- **Waste:** Any use of time or resources that does *not* lead to value.

Types of Power

We distinguish between three core types of power, each of which can be used to create value—or to contribute to waste:

Position Power

Rooted in formal authority and structural roles.

- Ability to give or withhold reward
- Ability to penalize or coerce
- Responsibility to make or delegate decisions

Information Power

Linked to what you know—and what you choose to share.

- Access to valuable information
- Ability to disseminate or withhold information

Credibility Power

Derived from your reputation and perceived authority.

- Credentials & expertise
- Reference & association
- Conversational value