



CUTTINGS

Number 59 December 2005

Compiled and edited by Geof Cox

PERCEIVED POWER

Harvard Professor Kathleen McGinn has uncovered some interesting features about power balance in negotiations in her work with Rebecca Wolfe of Princeton.

We know that power at the bargaining table is rarely distributed evenly. And someone with greater power will usually get the best of the deal. Normally, we base our assessments of power balance on objective judgements, but what happens when you are perceived to have more power than these objective components would indicate. Can "perceived relative power" make a difference at the table?

According to the research done by Wolfe and McGinn, the answer is yes. They found that in negotiations where participants shared relatively equal perceived power, the outcome tended to address the needs of both parties, to be more win:win. It seems that in these situations where power is perceived to be equal, parties will share more information than would be the case in a relationship where a power imbalance produces a one-sided result. Pooling

more information and resources creates a larger overall pie to be shared, making the opportunity of win:win more likely.

Objectively, if you have more or better alternatives in a negotiation, you're very likely to get more of the pie, regardless of perceived relative power. The findings of this research confirms this. So once you understand that equalising the perceived power in the negotiation is not going to mess up your relative "take" in the negotiation, you can set up conditions where both parties feel an equal voice, feel there is relatively equal power, and can create as many resources as possible.

So, trying to position and push to show how much power you have in the negotiation is self-defeating. The objective alternatives that you have will determine the portion of the pie. If the other party sees themselves as less powerful, then they will close up, share less information, and the parties will be less likely to create a big pie. I might get more of the pie, but it's more of a much smaller pie. A better strategy is to try to build the relative power of the

other party, so that we both feel equal and can create a larger pie to share.

The lesson for negotiators is therefore to both try to increase their own power, and also to create an environment in which both parties feel powerful.

In training, we have always asserted that expertise and flexibility in influencing and negotiation style will shift the power balance. This research has confirmed that it is not just objective measures of best alternatives that are important. How I feel, my expertise as a negotiator, and my ability to plan and manage the negotiation process has significant weight. There is a clear distinction between what brings you the greater amount of the distribution and what increases the overall pie.

Perceived Relative Power and its Influence on Negotiations, Rebecca Wolfe and Kathleen McGinn, Group Decisions and Negotiation, 2005

What Perceived Power Brings to Negotiations, Harvard Management Update, September 2005

Why IT Leaders Fail

According to a recent study from the Cutter Consortium, IT leaders have a basic inability to connect with and get along with other people.

29 different causes of failure were identified from managers' describing their own 'worst manager' experiences. These ranged from innate deficiencies such as lack of intelligence to skill deficiencies such as lack of organisational or political skills.

A few respondents singled out low intelligence; more votes were received for unreliability, inability to manage resources and lack of planning. But the top three biggest reasons, by far, that were cited were:

| | |
|---|-----|
| <i>Lack of empathy</i> | 58% |
| <i>Lack of emotional ability</i> | 55% |
| <i>Inability to connect with others</i> | 53% |

Looking at the issue of leadership failure from another angle, managers were asked to choose from a list of factors. The top five in this list were

| | |
|--|-----|
| <i>Poor interpersonal skills</i> | 58% |
| <i>Self-centredness</i> | 56% |
| <i>Failure to acknowledge problems</i> | 55% |
| <i>Untrustworthiness</i> | 54% |
| <i>Weak management skills</i> | 52% |

A clear development need for IT leaders...

*Why IT Leadership Fails, Cutter Consortium May 2005
CIO Leader magazine August 2005*

SEASONS GREETINGS



CUTTINGS is edited and published by Geof Cox of New Directions Ltd.. The contents are the property of the publisher but may be used if the publisher is identified and if copies of such use are sent to the publisher.

New Directions Ltd is a member of



Snippets

At the end of another year, a bumper collection of thought provokers and quotations ...

- ✂ "The world needs people who discover the good, who rejoice in it and thereby derive the courage and impetus to do good." *Pope Benedict XVI*
- ✂ "When one tugs at a single thing in nature, he finds it attached to the rest of the world." *John Muir*
- ✂ "I am not afraid of storms for I am learning how to sail my ship." *Louisa May Alcott*
- ✂ "The genius of communication is the ability to be both totally honest and totally kind at the same time." *John Powell* □
- ✂ "All serious daring starts from within." *Eudora Welty*
- ✂ "Expecting the world to treat you fairly because you are a good person is a little like expecting the bull not to attack you because you are a vegetarian." *Dennis Wholey*
- ✂ "Real change isn't motivated by either crisis or fear. The best inspiration comes from leaders who can create compelling and positive visions of the future." *Alan Deutschman*
- ✂ "Everything we shut our eyes to, everything we run away from, everything we deny, denigrate, or despise, serves to defeat us in the end. What seems nasty, painful, evil, can become a source of beauty, joy, and strength, if faced with an open mind. Every moment is a golden one for him who has the vision to recognize it" *Henry Miller*
- ✂ "People will forget what you said, people will forget what you did, but people will never forget how you made them feel." *Maya Angelou*
- ✂ "Good stories have wings and, like birds, they fly from mountaintop to mountaintop." *Romanian proverb*
- ✂ 95% of assets drive out of the front gate every evening. The leaders job is to bring them back next morning.
- ✂ "The test of a good teacher is not how many questions he can ask his pupils that they will answer readily, but how many questions he inspires them to ask him which he finds it hard to answer." *Alice Wellington Rollins*

Peter Drucker died last month at the age of 96. Here are some of my favourite Drucker quotations:

- ✂ "The three greatest leaders of the 20th century were Hitler, Stalin and Mao. If that's leadership, I want no part of it."
- ✂ "Accept the fact that we have to treat everybody as a volunteer"
- ✂ "Company cultures are like country cultures. Never try to change one. Try, instead, to work with what you've got."
- ✂ "Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes."
- ✂ "Efficiency is doing things right; effectiveness is doing the right things."
- ✂ "Follow effective action with quiet reflection, from which will come even more effective action."
- ✂ "Knowledge has to be improved, challenged and increased constantly - or it vanishes."
- ✂ "Management by objective works - if you know the objectives. Ninety percent of the time you don't."
- ✂ "Assuming that only senior executives make decisions or that only senior executives' decisions matter is a dangerous mistake."
- ✂ "Most of what we call management consists of making it difficult for people to get their work done."
- ✂ "My greatest strength as a consultant is to be ignorant and ask a few questions."
- ✂ "The task of leadership is to create an alignment of strengths, making weaknesses irrelevant."
- ✂ "The best way to predict the future is to create it."
- ✂ "The computer is a moron."
- ✂ "The most important thing in communication is hearing what isn't said."
- ✂ "The only thing we know about the future is that it will be different."
- ✂ "The purpose of business is to create and keep a customer."
- ✂ "An enormous number of managers have retired on the job."
- ✂ "There is nothing so useless as doing efficiently that which should not be done at all."
- ✂ "Trying to predict the future is like trying to drive down a country road at night with no lights while looking out the back window."

2006 Public Programmes

Managing Technical Professionals

—for anyone moving from a technical job into management or in a role that manages technical professionals.

15-16 May

30-31 October

London, UK:

Internal Consulting Skills —focusing on consulting and interpersonal skills for people working as internal consultants in an organisation.

25-26 May

23-24 November

London, UK:

Information and booking:

Frost & Sullivan +44 (0)20 7915 7878

www.training.frost.com

Focus on Influence —developing interpersonal skills, reflection and insight, assuming responsibility, personal commitment, enhancing flexibility and achieving goals together with others.

Netherlands dates (English language):

7-10 February

6-9 June

12-15 September

21-24 November

Belgium dates (Dutch language):

24-27 April

26-29 September

Information and booking:

Learning Consortium

www.learningconsortium.net

In company versions of these and other programmes are also available. For details call me direct (details below)

MORE INFORMATION

Cuttings is published by New Directions and distributed through an international network of consultants and trainers who work together to learn, research, design and provide world-wide consulting and training in management, organisation and individual development across cultures, sectors, subjects, and languages. On our website you will find downloadable copies of all past issues plus articles and information on our network and services, including links to our partners' websites.

To discuss any ideas or needs that you have and to access the network, please call me direct:

Geof Cox

New Directions Ltd,

26a Downleaze, Bristol BS9 1LZ, UK

phone: +44 (0)117 968 1451

fax: +44 (0)117 968 1625

web: www.newdirections.uk.com

email: geofcox@newdirections.uk.com