# Convert resources

Sociology, Empowerment

Its primary source Is a grant of authority from society, stemming from the social contract, to convert resources efficiently into added goods and services. It is legitimate when it is exercised rightfully, or in keeping with the social contract. The concept of power needs to be distinguished from authority and Influence. Authority Is the right to direct others and ask them to do things which they would not otherwise do, but it is legitimate and is exercised in the working of organizations. Authority is different from power because of its legitimacy and acceptance in an organizational context.

Influence is conceived as more broader and it is the ability to alter actions of other people in general ways by changing their satisfaction criteria ND thus improve their performance. LeadershipIs broader than power and indicates a willingness on the part of the follower to follow In the absence of authority. Corporations have tremendous power of to change society through their actions. Corporate power has an impact on society at two levels. I On the surface level it is the direct cause of visible, immediate changes. I On the deeper level it shapes society over time through the aggregate, Indirect, and unforeseen changes of Industrial growth. Corporate power is exercised in seven spheres corresponding to the key business environments described in earlier (here power over individuals is included in place of the internalenvironment). 1 Economic power comes from the use of property and resources to Influence events and people. 2 Technological power influences the direction, rate, characteristics, and consequences of Innovations. 3 Political power Is the ability to Influence governments. Legal power is the ability to shape laws and regulations. 5 Cultural power is influence over values, habits, and institutions. 6 Environmental power is the impact of a company on nature. 7 Power over individuals is exercised over employees, managers, stockholders, nonusers, and citizens. Theories of business power Two basic and opposing positions about business power exist. That business power is preeminent in developed societies egg American society. It is excessive and inadequately checked. E. G, there is excessive corporate power in asset concentration among a few large firms.

Similarly, there is corporate power of economic elites. E. G there is a small power elite commanding business, government, and the military and institutional elite composed of individuals who occupy top positions in a wide range of institutions. 2 The pluralist theory In a pluralistic society such as the United States business power is adequately checked by democratic values, the Constitution, laws, markets, government, labor unions, advocacy groups, and public opinion. Four boundaries on managerial power exist. I Governments and laws regulate business. I Social interest groups represent broad and diverse interests within society and use many methods to restrain business, from boycotts to media campaigns. Iii Social values restrain managers. An example is the pervasive belief inequalityin America that discourages deference to an aristocracy of corporate wealth. Iv Markets and economic stakeholders discipline corporations to channel their power within the limits of the social contract. V Markets also register forces of technological change that bring the rise and fall of dominant industries.

In conclusion, if corporate power remains generally accountable to democratic controls, society will accord it legitimacy. The classifications of Power Businesses are run by people in power. There are, however, different kinds of power that allow those wielding them to use varying approaches and methods with varying degrees of effectiveness. There are five basic types of power in business, and it is important to learn how to recognize each type, and how to use each type effectively in business situations. Psychologists John French and Bertram Raven provided five categories 5 Types of Power in Businesses 1 .

Coercive Power Coercive power is the most primitive type of power in the workplace. Coercive power exists when a person in authority threatens a subordinate with some type of punishment if a certain duty or activity is not completed or performed correctly. It is important to note that coercive power is used most effectively in scenarios where the business is in a crisis or is somehow threatened. Coercive power can also be used effectively when attempting to make cuts in personnel as a result of management shifts and transitions. 2.

Legitimate Power Legitimate power exists when the subordinates of someone in authority comply with orders given to them because they believe that the position or title that the person holds gives him the right to use that power. Legitimate power can be enhanced by ensuring that the business has a clearly defined chain of command and Many employees are motivated by rewards and incentives to comply with orders given by a superior. Thismotivationis an example of reward power. Additional examples of reward power include public praise, wage increases and Job promotions as a result of Jobs well done.

The purpose of reward power is to trigger that part of human nature that appreciates being recognized for high performance. 4. Referent Power Referent power refers to the power that is gained as a result of being admired by subordinates in the workplace. Business leaders who have gained referent power often have done so as a result of entrusting their employees with increasedresponsibilityand latitude in how to perform their Jobs. Referent power is best achieved and used in a workplace where employee turnover is low and in an environment where personal relationships can be cultivated. 5.

Expert Power It is natural for people torespectand follow those who are experts in a given field or occupation. Expert power results from the expertise a person has gained through the experiences and training that have marked her businesscareer. Subordinates of a person who has gained expert power believe that the leader will guide them correctly due to her vast expertise. The absence of legitimacy can cause a business/ corporation to become a 'dangerous equines" Being a legitimate organization involves a broader societal perception that the entity's actions are desirable or appropriate.

Businesses should be perceived as having a legitimate claim and to behave in a legitimate way. Max Weber (1924) " organizations are regarded as legitimate to the extent that they are in conformity with rational (e. G. , scientific) prescriptions and legal or law-like frameworks" Parsons (1960), broadened the concept of legitimacy arguing that organizations should havegoalsconsistent with societal values Meyer and Rowan (1977) argued that organizations needed to incorporate common beliefs and knowledge systems in order to be perceived as legitimate.

Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions" Scott (2001) proposes three basis of legitimacy: I regulatory emphasis is on conformity to rules" ii normative conception stresses a deeper, moral base for assessing legitimacy' iii cultural-cognitive view stresses the legitimacy that comes from adopting a common Ramee of reference or definition of the situation" (p. 61).

In the Business field, Wood (1991) argues that legitimacy is the principle of social responsibility at the institutional level. I. E, legitimacy and power are granted to business by society, and companies that do not use this power with responsibility, will tend to lose it. The principle " expresses legitimacy as a societal-level concept and describes the responsibility of business as a social institution that must avoid abusing its power" (wood 1991, p. 695). Summary are recognized as legitimate in the eyes of society.

The concept of organizational legitimacy includes acceptance by societal sectors of diverse aspects of business. Acceptance of business by society through business' compliance to rational and legal frameworks; The organizational goals' being accepted by society Organizations are accepted as legitimate when they act appropriately, according to socially constructed systems; Business and Society approach to organizational legitimacy focuses on business being seen as legitimate by society and granted the right to operate as firms orient their actions towards the collective good..

According to Dowling and Prefer (1975), legitimacy is present " when the company makes decisions and acts according to " the norms of acceptable behavior in the larger social system Businesses/corporation do take advantage' of its power in a market, and misuse that power in an unfair or predatory manner. Creating Legitimacy in Business High unemployment, risingpoverty, and the publics dismay over corporate greed continue to challenge the market system and the legitimacy of business itself. Many large organizations are increasing their focus on corporate social responsibility.

The problem is that their efforts have not made much of a dent in the challenges they were meant to address? or in the negative perception of big business. Business must find a way to engage positively in society, but this will not happen as long as it sees its social agenda as separate from its core business agenda. Business leaders must create shared value at the local level. I. E. Competing in ways that enhance competitiveness while simultaneously advancing economic and social conditions in the communities where companies operate.

It's time to take advantage of the intersecting needs of business and the community while minimizing the differences. Opportunities to create shared value must be tied closely to a company's core business operations, which can bring skills, resources, and new operating practices to improve productivity while simultaneously benefiting the community. We are seeing more ways to create shared value, ranging from reducingpollutionto improving the productivity (and wages) of low income workers. It is the transformation of core business operations, rather than charitable donations, that will restore the legitimacy of business.