

**TRANSFER OF POWER AS A FUNCTION OF DIRECTION AND MENTAL
MODEL: A FIELD EXPERIMENT**

By

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ABSTRAK

Kajian ini bertujuan untuk mengenalpasti pemindahan kuasa di antara dua peringkat dalam organisasi yang terdiri daripada individu dan kumpulan. Kajian ini akan melihat sama ada pemindahan kuasa berlaku dari satu kumpulan yang berpengaruh kepada individu yang tidak berpengaruh dan daripada individu yang berpengaruh kepada kumpulan yang tidak berpengaruh. Kajian ini juga menganalisa sama ada persepsi individu dalaman dan individu luaran akan mewujudkan jurang dalam proses pemindahan kuasa. Beberapa faktor yang perlu diambil kira dalam pembentukan pengenalpastian kuasa identiti dan reputasi dan dipindahkan dengan berkesan di antara individu dan kumpulan dalam organisasi adalah turut dijelaskan. Kajian ini telah dijalankan ke atas sampel yang terdiri dari 227 orang eksekutif dan pegawai pengurusan dalam industri pembuatan semikonduktor, di Zon Perindustrian Bebas, Bayan Lepas, Pulau Pinang, Malaysia. Pembolehubah tidak bersandar dalam kajian ini adalah arah yang dibahagikan kepada pemindahan ke atas dan ke bawah, sementara model kuasa mental terdiri dari dua kategori, iaitu identiti dan reputasi manakala pembolehubah bersandar adalah pemindahan kuasa. Satu siri ujian sampel t berpasangan telah dijalankan untuk menguji empat hipotesis berkaitan dengan kesan utama pemindahan kuasa, dari segi arah dan juga model mental. Hasil kajian hanya menyokong sebahagian daripada hipotesis yang diuji dan mencadangkan bahawa pemindahan kuasa wujud secara relatifnya bagi kedua-dua arah ke atas dan ke bawah dari segi perspektif reputasi dan juga identiti. Keputusan juga mencadangkan agar penambahan komunikasi di antara individu dalaman dan luaran ditingkatkan serta mempromosikan perasaan saling memiliki di antara ahli-ahli kumpulan yang memainkan peranan yang penting dalam merangsang pemindahan kuasa yang seterusnya. Kajian ini diharapkan dapat menyokong kepada kekurangan ulasan karya

mengenai pemindahan kuasa di antara individu dan kumpulan terutamanya dalam konteks Malaysia. Akhir sekali, implikasi untuk kajian ini dan juga cadangan untuk kajian masa depan adalah turut dibincangkan.

ABSTRACT

The present study examines the transfer of power across two levels of organization, which are the individual and the group. It examines whether the transfer of power has taken place from an influential group to a non-influential individual and from an influential individual to a non-influential group. This study also analyses whether the perceptions of an insider and outsider will create a gap in the transfer of power. Some of the critical conditions necessary for power identity and reputation to be developed and transferred effectively between individuals and groups in organizations are also described. This experimental study was conducted on a sample of 227 working executives and managerial personnel from the semiconductor manufacturing industry in the Bayan Lepas Free Industrial Zone in Penang, Malaysia. The independent variables are direction, which was divided into upward and downward transfer, and power mental models with two categories: identity and reputation. The dependent variable is transfer of power. A series of paired-samples *t* test was performed to test the four hypotheses for main effects of the power transfer, from the dimension of direction and mental model. The findings reveal only partial support for the hypotheses developed and suggest that transfer of power occurs at relatively smooth levels in both the upward and downward directions from the reputation and identity perspectives. The findings also suggest that increased communication between insiders and outsiders as well as promoting team member's sense of belonging play a significant role in further facilitating the transfer of power. This study adds to the limited literature of cross-level power transfer between individual and group, especially in the Malaysian context. The implications of this study and suggestions for future research are also discussed.

CHAPTER 1

INTRODUCTION

There has been extensive research on the antecedents and consequences of power at both the individual and group levels of analysis. However, there is a lack of integration among these streams of research (Podsakoff & Schriesheim, 1985; Spreitzer, 1996), with regard to how power develops and is transferred between individuals to groups and vice versa. In addition, most of the research has been done using European and American samples and models.

This study attempts to use the accumulated within-level knowledge to engage in cross-level power issues. In this study, we describe some of the forces and conditions necessary for effective power transfer across two levels of organization: the individual and the group.

1.1 General Background

Power generally refers to an agent's capability to influence a target person, but different theorists have used the term in different ways. Sometimes power means the agent's capability to influence a target person's behavior, whereas at other times it means influence over the target person's attitude as well as behavior (Yukl, 1998). Power can also be defined in relative rather than absolute terms as the extent to which the agent has more or less influence over the target than the target has over the agent. Power can be related to status, hierarchical authority, expertise, confidence, control over resources, and network centrality (Johnson, 1976). It allows an agent to obtain

what he or she wants, or to produce effects in others. For this research purpose, we define power as the ability or “potential to influence” (French & Raven, 1959).

Power is also fundamentally a social construction that is perceptual in nature (Fombrun, 1983). Any change in objective occurrence will affect both individuals’ and groups’ beliefs about power, hence the potential to influence derives from perceivers’ recognition of them as the source of power. However, when the power perceptions are coherent, they can become power mental models (PMMs), which are generally defined as a mechanism whereby humans generate descriptions of system purpose and form, explanations of system functioning and observed system state, and predictions of future system state (Rouse & Morris, 1986). These models enable people to draw inferences and make predictions, to understand phenomena, to decide what actions to take, to control system execution, and to experience events vicariously (Johnson-Laird, 1983).

A user’s mental model is a cognitive model of the topical area the searcher builds while looking for information. It is in a sense the final outcome of a searching phase, the result of interpretation and the first step of using the information. Building a mental model of a topical area is closely related to the interpretation of information found while searching. By integrating new information into the knowledge structure of the user, it becomes available for reuse in future work (Komlodi, 2002).

According to Komlodi (2002), mental models are one way to think about knowledge representation in memory. Mental models are cognitive representations that constantly change in the light of new information encountered. Searching stems from an information problem, a gap or other discrepancy in the user knowledge. Interpretation during searching aims at applying new information found in the original state of the users’ knowledge and repairs the discrepancy. Interpretation and mental

model building involves reading the documents found, often rephrasing them in some form, assigning meaning to them through linkages to current knowledge, and recording the process and the results in order to build them into the knowledge network, and mental model of the searcher. Interpretation builds the user's mental model, and is often reflected in the interaction history of the user (Komlodi, 2002). Specifically to power mental models, these are organized mental representations of one's own and other's power that tend to lead to relatively predictable behaviors within a particular context.

1.2 Problem Statement

There are numerous research done on power at the individual and group level, but they do not provide a model tracing the linkages between them, particularly in the Malaysian context, and which focuses on how an entry of an influential or non influential individual has an effect on the power perception of the group or team members.

1.3 Research Objectives

Based on the problem statement above, the first objective of this research study is to fill in the gaps in research work done on power mental model transfer across two levels of organization, which are the group and the individual. The transfer of power across organizational levels can occur when a relatively less powerful group gains power because of the presence of a powerful new member. It is referred to as "upward transfer", which is the power transferred from an individual to the group. On

the other hand, “downward transfer” occurs when less powerful individuals gain power because of their membership in a powerful group, that is, the power is transferred from the group to the individual. For the purpose of this research, power mental models will be analyzed from two viewpoints. These are the “identity PMMs” and “reputation PMMs.” “Identity PMMs” refers to the unit's own beliefs about how powerful it is. Transfers of identity PMMs involve extension of power identity from an individual to groups. According to Swann (1996), identity beliefs are resistant to change, because people will tend to base their understanding of their own or their group’s power on the historical mindset or pattern. In contrast, “reputation PMMs” refers to the set of beliefs others hold about how powerful the unit is. People will tend to base their understanding of an individual’s or group’s power more on general contextual factors and less on the characteristics of the unit itself.

The second objective of this study is to examine the necessary conditions for effective power mental model transfer. For the purpose of this study, the conditions defined are the group or individual’s belonging and identification, the interaction between insiders and outsiders, and the level of familiarity within the group members and outsiders.

1.4 Research Questions

It is the aim of this study to test a general hypothesis of transfer of power as a function of direction and power mental models. Specifically, this study attempts to examine the following questions:

- (a) Does the individual group member feel stronger or weaker with the entry of an influential or non-influential person into his or her group?

- (b) Does the individual feel stronger or weaker with his or her entry into an influential or non-influential group?
- (b) Does the outsider perceive the group as stronger or weaker with an entry of an influential or non-influential person into that group?
- (c) Does the outsider perceive the individual as stronger or weaker with his or her entry into an influential or non-influential group?

1.5 Significance of Study

The major objective of this study is to increase our understanding of conditions necessary for power identity and the development of reputation, as well as how power can be transferred effectively between individuals and groups in organizations. It is hoped that by understanding these conditions, it will assist managers to adopt the right conditions to facilitate transfers of power in both upward and downward directions simultaneously.

Secondly, there is little or no similar research done in Malaysia. Thus, this study in the context of the Malaysian environment may help us to further understand the transfer of power universally, and also enable us to make comparisons of cross-level power transfers in the Malaysian context as well as against the American context for future research.

1.6 Structure of the Thesis

The remaining chapters of this thesis are organized as follows: Chapter 2 presents an overview of the literature on power mental model, direction of power,

cross-level power transfer leading to the formulation of the theoretical framework, and the statement of hypotheses. Chapter 3 describes the research methodology of the study in detail, while Chapter 4 examines the results of the statistical analysis. Chapter 5 concludes the study with a comprehensive discussion of the findings, the limitations of the study, its implications, and several suggestions for future research.

CHAPTER 2

LITERATURE REVIEW

This study focuses on the transfer of power as a function of power mental models and direction. Thus, the literature review will cover power mental model approaches, upward and downward direction, which will then lead to cross-level power transfer. Towards the end of this chapter, the theoretical framework and hypotheses will be presented.

2.1 Power Mental Models

Thinking depends on tacit processes that are guided by constraints: the thinker's goal, if any, and pertinent knowledge and beliefs. The idea that it depends on mental models dates back to the Scottish psychologist, Kenneth Craik (1943), who suggested that perception will construct "small-scale models" of reality, which are used to anticipate events and to reason. Mental models might originally have evolved as the ultimate output of perceptual processes. They can represent spatial relations, events and processes, and the operations of a complex system.

According to Craik (1943), mental models allow people to predict and explain systems behavior, and to recognize and remember the relationship between system components and events. Craik (1943) also suggested that the process of prediction involves using the model to parallel the real process. The outcome of the parallel run in the model when translated back into the terms of the real process is the prediction

of what the outcome of the real process would be. This is sometimes referred to as running a mental model.

Mental Model theorists have been raising questions pertaining to how the mental model should be presented, and how information should be organized within the model. Rouse and Morris (1986) identified two key aspects of the mental models, namely, form and state. "Form" is the model itself, the homomorphic mapping consisting of elements and their relations which represents the thing that is being modeled. "State" is the dynamic configuration of the aspects of the model that can change as a result of running the model. For example, if the mental model is of a bath then it will have a certain size and therefore maximum volume, which does not change. This constitutes a "form" feature. All of these form elements constitute the relation-structure described by Craik (1943). But the amount of water actually in the bath at any point can vary over time according to the setting of taps, whether the plug is in, and so on, so the amount of water in the bath is a "state" feature. The running of the model is the computation of a nature model state on the basis of a given state and the relation-structure of the model.

Mental models have played important functions that allow people to interact effectively with their environment. From a purely cognitive standpoint, the mental model construct assumes that people organize knowledge into structured, meaningful patterns that are stored in memory (Johnson-Laird, 1983; Rouse & Morris, 1986). These patterns contain several classes of information concepts, features, and the relationships between concepts and features (Rips, Shoben, & Smith, 1973).

According to Fiol, O'Connor, and Aguinis (2001), antecedents of power mental models such as organizational position, control over resource, network centrality, expertise and confidence do not lead directly to PMMs. They are instead

subjected to cognitive mechanisms that filter and often distort the information. Cognitive consensus refers to similarity among group members regarding how key issues are defined and conceptualized. Individuals that have more cognitive consensus are likely to attend to, interpret, and communicate issues more similarly than individuals who have less cognitive consensus. Individuals who have less cognitive consensus will tend to reinforce and potentially widen further any existing gap between the individual and group (Mohammed & Ringseis, 2001).

2.1.1 *Identity Power Mental Models (PMMs)*

Identity PMMs refer to power mental representations and beliefs that the individual holds about his or her interaction with a system (Fiol et al., 2001). This infers that it is an individual member's belief of his or her own power level. Identity PMMs are not static; they change over time with changes in the individual, changes in the perception of the power, and changes in the nature of the interaction with the power (Rouse & Morris, 1986). As a consequence, one should not expect that a power mental model at one point in time would be necessarily relevant for understanding an individual's beliefs about the power at another point in time.

Individuals do not come equipped with hard-wired power mental models. Instead, Identity PMMs are acquired through self-confidence gained over its own learning and experience. As a result, an individual does not have his or her own belief of power mental model if he or she has no interaction with power condition through his or her formal organization position (Staggers & Norcio, 1993).

Past research has also shown that an individual's power mental model will be idiosyncratic to that individual because individuals develop their power mental

models through their particular interactions through an organization's position (Hinsz, 1995). Power mental models of different individuals may be similar to the degree that power learning is perceived in a similar fashion, or the individuals' interactions with the learning stages are similar. If the individuals' interactions with the power learning stages are similar, there may be greater similarity in their power mental models. However, as the members' experiences differ, their power mental models are also necessarily different from each other (Hinsz, 1995).

Moray (1999) has highlighted that the differences in mental models are due to the range of tasks for which mental models can be used and reflect the flexibility of the construct rather than any fundamental differences. Thus, Moray has defined the mental model as the canonical form of a mental model, as indeed of any model, and is a homomorphic mapping from one domain to another, resulting in an imperfect representation of the thing modeled (Moray, 1997). The basis of this definition is the assumption of a homomorphic or many-to-one mapping from the elements of the thing modeled to one element in the mental model. For example, many elements in a pasteurization plant such as the boiler, steam pump, and so on, could be mapped into one element in the mental model, that is, the heating system (Moray, 1999). Commonly, as Holland, Holyoak, Nisbett, and Thagard (1989) pointed out, such a model will not be valid in all situations. Therefore the model will contain exceptions to these situations and as such is technically a quasi-homomorphism.

2.1.2 Reputation Power Mental Models (PMMs)

Reputation PMMs are the set of beliefs others hold about the power of the unit (Fiol et al., 2001). It is different from Identity PMMs where observation is from

an outsider's perception towards how powerful the individual or the group is. However, these two PMMs share the same similarity in that the outsider's perception towards the individual's or group's power level derives from the past experiences or insight that an outsider has on the individual or group. The perception can be either through direct or indirect interaction with the individual or group. Direct interaction refers to an insight gained through personal interaction with the individual or group. Indirect interaction occurs when the information is obtained through a third party instead of through direct interaction.

According to Fiol et al. (2001), antecedents of Reputation PMMs tend to be contextual factors, such as structural position or network centrality. In their opinion, people tend to base their understanding of the power of another individual or group based on general contextual factors rather than on the characteristics of the unit itself.

Furthermore, Brunswik (1956) noted that mental models are the individual's view of a group and his or her interactions with the group. As such, they do not represent reality, but rather the individual's subjective perception of reality. This has resulted in mental models suffering from all the biases and distortions that normally are associated with human perception of technical (Wickens, 1984) and social (Worchel & Austin, 1986) systems.

2.2 Direction of Power

Transfer of power takes place when an individual or group feels the increase of power when a powerful individual joins the group or when a powerless individual joins a powerful group. For example, in a marketing firm, the Services Marketing

team gains power from the presence of a powerful Marketing Manager, X, in the team.

Moreland, Argote, and Krishnan (1998) have outlined three categories of knowledge that are important for mental model transfer. These are as follows:

(a) Knowledge about the individual or group, such as knowing how well the individual or group is performing and the types of norms that are within the dynamics of the group.

(b) Knowledge about the individual roles of the group members and their cliques.

(c) Knowledge about the work done, such as how is performance being evaluated, what are the working condition, etc.

Knowledge of these three categories would enable the transfer of power to be facilitated more readily.

However, Fiske and Taylor (1991) pointed out that such transfer can be relatively difficult if it requires changes to the prior belief of an individual or group. For instance, if a person believes he or she is powerful and an outsider believes he or she is weak, what he or she sees and does will tend to confirm his or her beliefs, and what the outsider sees and does will tend to confirm the outsider's beliefs.

For the purpose of this study, we have defined two directions of power: upward transfer and downward transfer. Upward transfer refers to the transfer of power from an individual to a group (Fiol et al., 2001). For example, when a powerful new team member joins a powerless group, the team members of the group feel the increase in power within the group members, and the upward transfer of power thus occurs. Downward transfer of power takes place when a relatively less powerful

individual gains power because of his or her membership in a powerful group (Fiol et al., 2001); in other words, the power is transferred from group to the individual.

2.3 Cross-Level Power Transfers

Extensive research has been done on power transfer at both the individual and group levels. However, it has been noted that there are limited research done so far on the integration and cross-level power issues and how the conditions facilitate and inhibit power transfers across the two levels of organization in the individual and the group.

Fiol et al. (2001) explained that cross-level power transfers takes place when a relatively less powerful group gains power because of the presence of a powerful new member, or when a relatively less powerful individual gains power when he or she joins a powerful group.

Additional factors may well play a part in power transfers process, namely individual, group, and task characteristics that moderates processes. Three important characteristics of an individual moderate the relationship between the power transfer and the influence manifested in the group, namely, the bases of power, the level of motivation, and the role in the group (Kohli, 1989; Venkatesh & Zaltman, 1995).

It has been noted that individuals require power to influence a group in order to become more aligned with his or her point of view. French and Raven (1959) describe five bases of power, that is, referent, expert, legitimate, reward, and coercive. In 1965, Raven added another base of power to his list, which is information power. Later, "connection power" was added to the list as the seventh base of power (Ansari, 1990; Bhal & Ansari, 2000; Hersey, Blanchard, & Natemeyer, 1979). These power

bases differ for individuals as to the levels of power; resulting in certain bases of power being more appropriate for certain situations. If an individual attempts a power move that is consistent with his or her source of power, he or she is more likely to have influence than if the power moves has no base of power.

The role an individual plays within a group moderates the link between a power transfer and the ensuing manifest influence (Kohli, 1989; Venkatesh & Zaltman, 1995). The group members may view certain power that one intends to transfer as more appropriate or inappropriate. Additionally, the role an individual plays in the group may limit the options he or she has for power to be transferred. For example, if the facilitator of the group attempts a coalition, other members may find this an inappropriate power transfer, hence inhibiting the transfer of power between a group and an individual.

Groups possess several characteristics that influence how they operate and how a power transfer will affect manifest influence. The characteristics included are size, familiarity, and cohesiveness. Group size does matter in terms of transfer of power. As the size increases, it will be more difficult for one individual to influence all members of the group, thereby inhibiting the transfer of power from an individual to the group. Other factors such as familiarity and cohesiveness will be discussed in detail in downward transfers of Identity PMMs (Kohli, 1989; Venkatesh & Zaltman, 1995).

Finally, the task faced by the group may facilitate or inhibit the success of power transfers. For example, for certain tasks, reason may have a high degree of influence, but for other tasks, it may have little influence (Kohli, 1989).

In this study, the transfer of cross level power will be observed through an individual's perception of his or her own power level which we classify as upward or

downward transfer of Identity PMMs. In the case of an outsider's perception of the individual's or group's power level, we will classify as upward or downward transfer of Reputation PMMs.

2.3.1 Upward Transfer of Identity PMMs

Upward transfer of Identity PMMs arises when a relatively powerful individual transfers his or her power to a relatively less powerful group. For example, if a Marketing Manager, X, who is able to influence his or her field joins a relatively less powerful Marketing Department in an organization, upward power identity transfer will occur to the extent that the Marketing Department perceives itself as more powerful because of his or her presence. Whether such transfer occurs relatively smoothly or with difficulty depends on whether it requires the individual members of the group to change their prior perception of their own identities (Fiske & Taylor, 1991). If individual members are required to change their prior perception in order to feel the sense of power to the group that is transferred from the powerful new member, then the transfers will occur with difficulty.

Recent research done by Fiol et al. (2001) indicated that such transfers occur relatively easily because they do not require group members to change their self-perceptions in order to attribute greater power to the group, and that people are basing their power identities on individual-level antecedents and PMMs, and are not looking to the group as a basis for their own identity. In such a situation, if the group members are able to observe the increase of power within the group and the group results or performance shows an immediate improvement, the members are able to make necessary adjustments to their beliefs about the group's power based on an external

justification, and not altering their prior beliefs about their own individual power. The research also reiterated that group membership can be a source of an individual identity (Sherman, Hamilton, & Lewis, 1999). In that case, attributing greater power to the group will require change in self-perception. The same applies if group members realize that outsiders would not easily change their thinking about the group's power reputation because of prior base-rate perceptions, the transfers will be relatively difficult.

2.3.2 *Downward Transfer of Identity PMMs*

Downward transfer of Identity PMMs involves transfer of PMMs from a relatively powerful group to a relatively less powerful new member. For example, if a Marketing Executive, A, who perceives himself as powerless, joins a powerful marketing team, downward power transfer occurs to the extent that the Marketing Executive perceives himself as more powerful because of his presence on the team.

Fiol et al. (2001) stressed that such transfers will be relatively difficult because there is a need for the less powerful member to change his or her own sense of identity. It would mean that self-serving attributions (Ross, 1981) would violate self-consistency (Swann, 1996). To avoid redefining their prior self-perceptions, people will tend to attribute the group's power to external forces, such as other more powerful members.

However, it has been noted that this transfer can still be facilitated if the less powerful member has a sense of belonging ingress to the group. These findings are supported by the theories of belonging and identification (Baumeister & Leary, 1995; Rousseau, 1998), which indicate that people have a strong drive to believe they are

part of the settings in which they work. When people experience high levels of identification with their workgroups, they perceive values and attributes of the group as their own (Mael & Ashforth, 1992; Sherman et al., 1999).

The above theory is further supported by social cognition research, which focuses on how individual perceptions of groups influence actions toward the group. From the small group literature, it has been shown that group members' expectations and cognitive representations of their group can influence the members' interaction in the group, and thus group outcomes (Guzzo, Wagner, Maguire, Herr, & Hawley, 1986; Weick, 1979). Therefore, if an individual has a high expectation and strong identification for a group, the downward transfers of Identity PMMs will be facilitated.

Furthermore, it has been found that cohesiveness within the group would moderate such transfer. The cohesiveness of a group refers to the extent to which group members are attracted to one another and work together (Kohli, 1989; Venkatesh & Zaltman, 1995). Group cohesiveness moderates the relationship between the power move used and the manifest influence attained. It is noted that highly cohesive groups would have relatively high influencing power to influence individual members within the same group, thereby facilitating the transfers of power.

In addition to that, the level of power transfers from group to individual may also differ based on the level of familiarity among individuals within them (Kohli, 1989; Venkatesh & Zaltman, 1995). Familiarity moderates the relationship based on the power move selected. In groups in which members are more familiar with one another, certain power moves may have more success in reaching a high level of manifest influence.

Finally, the task facing the group has certain characteristics that may facilitate or inhibit the success of certain power transfers (Kohli, 1989). A task that is complex to the extent that group members do not easily understand the task, will affect the degree of commitment by individual members. This will naturally inhibit the transfer of power, making it a relatively difficult exercise.

2.3.3 Upward Transfer of Reputation PMMs

Upward transfers of Reputation PMMs involve transfers of a powerful individual's reputation to the group, which he or she belongs to. In other words, it is in the eyes of the outsider whether such transfer of power occurs from the powerful individual to the group. In such a circumstance, when a Marketing Department's new Marketing Manager, X, joins the group, the outsider will perceive the transfer of power from the manager to the group and hence increase the power reputation towards the group.

Fiol et al. (2001) emphasized in no uncertain terms that the upward transfer of power reputation is as difficult as downward transfer of power identity. This is due to the attention of base rates (Fiske & Taylor, 1991). People tend to believe that vague descriptions, which could apply to or be true of any group, are unique to the group to which they belong (Latkin, Littman, Sundberg, & Hagan, 1993). Consequently, reputation beliefs about the power of a group are not derived from the unique, individual contributions of its members as much as they are from the larger context into which outsiders have categorized the group. People tend to base their understanding of an individual's or group's power on general contextual factors and not the unique characteristics of the unit itself. A relatively powerless Marketing

Department, A, for example, will initially tend to continue to be perceived as being powerless in its surrounding community, even after a powerful Marketing Manager, X, joins the organization.

It has also been noted by researchers that a cognitive mechanism will affect the formation and transfer of power reputation. This means that an outsider will tend to attribute other individual's or group's success to external factors, rather than to the own power of the group in question (Ross, 1981). Attribution theory explains that people are more likely to make internal attributions (Maltin & Stang, 1978; Taylor & Koivumaki, 1976; Tillman & Carver, 1980) based on the following:

- (a) The behavior is distinctive, that is, do we observe the same behavioral pattern in a variety of situations or contexts? Is the behavior typical for that person?
- (b) There is low consensus when the behavior is different from that of others in the same situation. (Stephan, 1975) Is the individual acting as most other people do in a similar situation?
- (c) We observe consistency in the behavioral pattern across time. Does the individual usually act in this manner?
- (d) We do not see any viable external causes of the behavior.

It is important to remember that the attributions that one makes may be accurate or inaccurate, but regardless of their accuracy, we use these attributions, especially the internal attributions, in forming decisions about people. As a consequence, whether an individual's attributions of others are correct or incorrect, they have a strong influence on the way in which an individual makes decisions about other individual's or group's reputation.

According to Green, Lightfoot, Bandy, and Buchanan (1985), the attribution process begins with the attention of the perceiver, which is influenced by motivational, cognitive, and stimulus factors. Once attention is guided by any of these factors or combinations of them, the taxonomy of important variables will determine the final attribution--depending on how much information the perceiver has about the actor.

How can such upward power reputation transfers be facilitated? According to Arosen, Wilson, and Akert (1997), anchoring and adjustment cognitive heuristics suggest that in reaching a finding, one will start with an initial reference point as an anchor and adjust its estimation along the way, and away from the anchor. However, subsequent judgment is strongly tied to the mental model formed in the first place or at the anchor, subsequently rendering it difficult to change the perception formed. Additionally, it has been found that when a mental model is formed, people will tend to believe what they see and hear is true. They will tend to look for evidence that supports their prior belief along the way, and may potentially set aside or ignore other findings that violates their prior perception. Hence, the longer the power mental model is formed, the more difficult it will be to change it (Arosen et al., 1997).

Cognitive factors influencing attention have been a major focus on the social cognition and attribution literature (McArthur, 1981; Taylor & Fiske, 1978). Considerable research suggests that factors such as the perspective of the perceiver (Storms, 1973), features of a stimulus person manipulated to stand out by virtue of contextual rarity, relatively extreme or negative information (Fiske, 1980) and other general expectancies derived from people's highly organized conceptions of what the social environment usually contains (Fiske, 1981), all have an impact on attention.

According to Rouse and Morris (1986), interactions with systems are not static, and neither are mental models of systems. Mental models change over time with changes in the individual, changes in the perception of the system, and changes in the nature of the interaction with the system (Rouse & Morris, 1986). Therefore, one should not expect that a mental model at one point in time would be necessarily relevant for understanding an individual's belief about the system (group) at another point in time.

This notion is further supported by the recent research by Fiol et al. (2001), who argued that in order to change the prior perception of outsiders toward the power reputation of any group, a new image will be required to be formed on the group to clearly distinguish it from the past. This will occur if the outsiders obtain direct individuating information about the contribution of the powerful individual to the group (Fiske & Taylor, 1991). In contrast, where less information is available, the attribution outcome depends on whether a person schema or normative script is most salient for the observed behavior and whether that behavior is expected or unexpected. For the self, where more information is available, the direction of the attribution depends on the outsider's set in the given situation and whether the behavior is positive or negative (Green et al., 1985). If an outsider has the opportunity to deal with the powerful new Marketing Manager directly and has personally observed the capability that the Marketing Manager has that has led to an improvement in the performance of the group, the chances of the outsider changing his or her prior perception will be higher.

Current research has also indicated that interactions between insiders and outsiders can also influence the transfer of power reputation (Weick, 1995). This may occur through communication from an insider to an outsider about his or her own

beliefs of the power transfers and the outsider will be more likely to increase his or her own willingness to rethink the group's power reputation to the extent that the outsider has the feasibility to prove what he or she hears or see is true. For example, if individual members of the group share their beliefs about the increase of power to the group after the new powerful member joins, to the extent that the outsider has also personally heard or read about the rapid improvement of the group performance, the likelihood of the outsider changing his or her prior perception about the power reputation of the group will be significantly high.

Moreland, Argote, and Krishnan (1998) have discussed three categories of knowledge that are important to mental model functioning, that is, knowledge about the group (how successful the group is), knowledge about the group members and knowledge about the work. If knowledge of the group is communicated directly to the outsider, and to the extent that the outsider comprehends the true facts of what has been communicated to him or her, it will tend to facilitate the upward transfer of power reputation.

2.3.4 Downward Transfer of Reputation PMMs

Downward transfers of Reputation PMMs involve transfer of the reputation of a powerful group to the power reputation of its members. For instance, a Marketing Executive, A, who joins a powerful marketing team is perceived to be more powerful because of his or her presence on the powerful team. Many researchers have noted that others' perceptions of individuals are largely a function of the attributes of the group to which they belong (Dienesch & Liden, 1986). In such cases, transfers will occur relatively smooth.

Consistent with the base-rate argument, people tend to base their understanding of another individual or group's power more on general contextual factors than on the characteristics of the unit itself (Fiske & Taylor, 1991). In this respect, if an outsider perceives the group to be powerful, he or she will tend to perceive the group members as powerful, to the extent that the outsider has no knowledge about the power of the individual group members. In line with that, general perceptions of a group's power are attributed to individual members of that group (Latkin et al., 1993). Consequently, in the absence of individuating information, a representative member of a high power group will be perceived as having high power and a representative member of a low power group will be perceived as having low power. Attribution theory also suggests that if little information is available, the outsider relies on script information, which indicates what most people would do in a given situation. In other words, consensus information is used (Kelley, 1967). Often consensus expectations are normative and implicit rather than explicitly based on actual behavior of individuals in a relevant sample (Kassin, 1979).

However, it must be pointed out that once the outsiders get to know the individual's personality much better, such transfers will tend to be relatively difficult. As noted earlier, downward power identity transfers where the power is transferred to a powerless new member when he or she joins the powerful group, is relatively difficult, due to the individual's resistance to change his or her prior self-perception. Because of this, if the outsider is aware about the resistance to change, he or she will tend to reduce the willingness to rethink the insiders' power reputation.

2.4 Gaps in the Literature

The literature review in the preceding sections indicates that discussions and deliberations on the cross level power transfer linkages between individuals and groups are only theoretical in nature. There has been no proper experimental field research done as a result of which there is an absence of research methodology to base on or to refer to.

2.5 Theoretical Framework

For the purpose of this study, the dependent variable will be the transfer of power whereas the independent variables will be the direction of power and the power mental model. We will be looking at the direction of power from *upward* and *downward* position, and whether the transfer of power will occur from powerful individual to the less powerful group or from the powerful group to the less powerful individual group members, and whether such transfers will occur smoothly or otherwise.

In addition to that, we will also be looking at the power mental models from two viewpoints, *identity* and *reputation*. That is, the individual's own belief about the perception of power transfer and whether such transfer has actually taken place (identity mental model). On the other hand, from an outside observer's perspective, does he or she observe the effectiveness of power transfers against the reputation of the individual or group (reputation mental model)?

According to Fiol et al. (2001), upward power identity transfers tend to occur relatively smooth, as they do not require major changes in the individual-level power