

# The Pledge of Managerial Power

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*Paul O'Neill, former US Secretary of the Treasury, became CEO of Alcoa Aluminum in 1987. In his first week on the job, he used his enormous managerial power to make safety, not profits, his top priority. Wall Street predicted bankruptcy. When he retired 13 years later, Alcoa had reduced workdays lost to injury from 1.86 to 0.2 per 100 workers. Profits had quintupled.*

Most people are unhappy at work because their boss unknowingly misuses their managerial power. The moral use of managerial power is the primary

determinant of success, but handling it requires self-awareness and discipline. Introducing the Code of Managerial Power.

## The problem and its cause and costs

**Most managers aren't aware just how much power they have over their employees:** a word, a glance or even a day of neglect can make an employee feel unappreciated and unsafe, fearing for their promotion or job. The greater the power, the greater the effect: the chief executive can start a cancer of mistrust and disengagement with one thoughtless outburst of, "Just do what I tell you." But we believe few bosses are really bullies, that most misuse their power *because no one ever talked to them about it*. That's why the first of the four principles of the Code (below) is Awareness.

**This problem is expensive.** Unhappy employees make more mistakes. Productivity, retention and innovation suffer because unhappy employees neither put in their best individual effort nor collaborate wholeheartedly. Even a 1% productivity loss has a large measurable effect on income. The primary reason people quit is that they don't trust their boss, and turnover has high direct and indirect costs.

*Power in and of itself is not bad; it only becomes so when we try to force the less powerful around us to submit to our personal will.*  
- Thich Naht Hanh

**This problem can spiral badly.** An employee's unhappiness infects others, which frustrates the boss, who might respond by trying to force results, worsening the problem. So, employees withdraw further and gossip more. The fear that the boss has created inhibits people from talking to them about the problem.

These problems compound: a decline in quality reduces customer satisfaction, reducing repeat sales and margins. Unenthusiastic collaboration reduces innovation, which degrades competitiveness and then market share.

**This problem is widespread.** The misuse of managerial power is not limited to businesses: many NGOs and government agencies also have too many unhappy employees. Studies<sup>1</sup> suggest 40 to 70% of people are unhappy at their work. We believe it's simply wrong to miss opportunities to help co-workers succeed.

<sup>1</sup> "[Why You Are Unhappy at Work](#)." Harvard Business School. Sean Silverthorne. 22 January 2018.

Can the chief executive turn this problem around and instead create a profitable culture of trust, safety, appreciation and pride?

#### Solution and its benefits

**Do No Harm: The first step for the chief executive is to make managers aware of the risk and responsibilities of managerial power** and not to be afraid of talking about it.

**Lead by example.** The idea of power *includes* the power of example. No policy or poster will counteract one instance of an executive's misuse of power. No "soft skills" training provides 1% of the value of the chief's example. All the executives should exemplify fairness and kindness in their daily work as well as expect them in training, recruitment, onboarding and evaluations.

*The author remembers his first job, as property manager of a downtown Chicago office building. A tenant had complained about the lobby's cleanliness, so the president of my firm paid me a visit. He could have yelled or threatened, but he just asked me to look around the lobby. "Did you see that piece of duct tape over the revolving door?" I hadn't. He smiled and left. He used kindness and patience, not power, to teach me from my mistake.*

**Denial also creates disengagement.** So, managers tell themselves, "*I leave my employees alone. I just ask them to do their jobs, and I stay out of their personal lives. Morality isn't an issue.*" Denying the effects of managerial power will still create disengagement: the proper use of power is needed to provide goals, guide behavior, gather resources and make decisions.

**For some, management is a spiritual practice.** The moral use of management power is manifested in fairness and kindness, which every moral tradition teaches us to practice with everyone in every situation. The Golden Rule is always active.

**The solution inverts the problem's costs.** The moral use of managerial power produces higher productivity, higher retention and greater creativity. This generates an upward spiral of customer satisfaction, sales and margins—and a culture that attracts the best job candidates.

**A lasting culture of collaboration.** People love to work with others on something bigger than themselves: meaningful collaboration is the most powerful motivator at work. Good managers never misuse their power, but *great* managers use their power to provide teams exciting challenges and the resources and skills to meet them. Managers are like everyone else: they want to work well with others, too.

#### Make the commitment

We believe organizations and their managers can protect against the misuse of power by adopting four principles: awareness, intention, appropriateness and introspection. Committing to The Code of Managerial Power on the next page is a good first step.

*The author thanks the participants in Viterbo University's 2023 conference "Blessed are the Peacemakers" for their improvements to The Pledge (next page).*

# THE PLEDGE OF MANAGERIAL POWER

## The Organization's Pledge

Our organization will sustain its success only when all our fellow employees are happy at work, which means they feel safe, included, and proud of what we do and make together. We commit to The Pledge because its four principles are essential to making and keeping employees happy and our organization safe.

None of us are perfect. We will occasionally make mistakes in how we use our power. However, we expect every manager to strive to treat every employee as they themselves want to be treated and to learn from their mistakes. Managers who misuse their power can achieve a temporary, selfish success, but we have no place in our organization for bullies or bigotry.

As executives, we will set good examples, be careful in who we grant managerial power, and incorporate the four principles of The Pledge in how we hire, train, support, evaluate, and reward every single employee. We all want to be respected for being fair.

## The Manager's Pledge

**AWARENESS.** Simply being **aware** of how their power can help or hurt will reduce mistakes and inspire managers to treat their employees with fairness and kindness.

*Pledge:* I will reflect often on the good and harm I can do with my managerial power.  
*inquiry:* When was I recently reminded of the effects of my managerial power?

**INTROSPECTION** Learning to use managerial power wisely requires **introspection**, asking questions about one's own attitudes and beliefs as well as past words and actions.

*Pledge:* I will be proud of learning the moral lessons of being a good manager.  
*inquiry:* How is being a manager making me a better person?

**APPROPRIATENESS** Policies provide guidelines, but every person and situation are unique, so managers must listen carefully and treat each employee **appropriately**.

*Pledge:* I will think about each employee to manage them well in each situation.  
*inquiry:* How have I managed people differently in similar situations?

**INTENTION** It is hard to always be kind and patient, so it is important to set a daily **intention** to help others succeed.

*Pledge:* I will use my managerial power every day to help others.  
*inquiry:* When did I last use my power to help an individual or group succeed?

*Learning to use one's power wisely takes maturity and strength. Taking this pledge is only part of the unending conversation about how we treat each other.*