Relational Power Is the New Currency of Hybrid Work

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Traditionally, hierarchies have helped formalize the power structures embedded in different roles within an organization. In a virtual context, the formal hierarchical structure is often less visible than it is in face-to-face environments. In the absence of physical markers of rank and hierarchy, such as office locations, parking spaces, desk labels, badges worn, and so on, managers need to rely on other bases of power to continue to influence and manage employees in technology-mediated settings.

Although studies have examined virtual work practices through video-based applications like Zoom and Microsoft Teams, less attention has been paid to text-based platforms such as Slack, Huddle, Ryver, and Flock, among others. Forecasts predict that the market for these collaborative platforms will reach $50.7 billion by 2025. As a result, manager-employee interactions over such platforms are expected to become even more prevalent.

We conducted a conceptual study to establish the nature of team relationships in a virtual setting. To empirically ground our findings in how manager-employee relationships are sustained, we analyzed interviews with 64 managers as well as the interactions of nearly 1,200 members of a Fortune 500 multinational firm on the Google+ for Business platform.

We found that relational needs play a key role in sustaining manager-employee relationships in virtual environments. The term *relational needs* refers to the drivers of social exchange between managers and employees. These drivers may include information, task-specific resources, recognition, leadership, and many other factors. Meeting these needs between managers and employees is not necessarily dependent on hierarchical power. Our research revealed that to be successful in the new world of work, managers cannot depend only on hierarchical position as the basis for providing leadership. They must also recognize the role of relational power in hybrid work.

But First, What Is Relational Power?

Relational power is derived from the ability of an individual to wield influence on others without necessarily being in a formal hierarchical role. For example, a junior sales executive with relational power could successfully influence senior colleagues in various departments to volunteer to participate in a steering group for a new initiative, even if that would require additional time and resources for colleagues. Similarly, within a team setting, an individual who is not the team leader may be able to successfully motivate other team members to exceed an income target. They may also be able to deploy relational power in stimulating or curbing negative behavior.

Relational power differs from hierarchical power, which is derived from the formal position that a manager holds and the authority embedded in that position. In a virtual context, relational power is even more important for building cohesion in work teams. In our study, we observed that conditions for exercising relational power are created when two factors are aligned: an individual's technology fluency and their social adeptness in a tech environment.

Technology fluency. Some individuals aren't necessarily in a hierarchically senior position but have expertise in navigating the text-based messaging platforms. These individuals are often aware of what the technology enables or constrains, and they can leverage their own knowledge of its features and limitations to introduce productivity enhancements.

Various platforms for online interactions, like Slack, Google+, and Huddle, have "hidden" features that can be exploited if one knows how to take advantage of them. For instance, being able to share multiple files or connect useful third-party applications may require a bit more technological know-how than just hitting the Share button. Similarly, if a newly deployed technology is not well integrated with legacy software, a knowledgeable individual can take steps to get around the challenges and share this information with colleagues, thereby building relational power.

Social adeptness in a tech environment. The second factor takes into account the individual's social skills within a technological environment. For some employees, communication on technology platforms comes naturally by virtue of their familiarity with online messaging. They understand how to create an extension of themselves in this format and are aware that being able to successfully influence others requires communicating with warmth. Put more simply, they have developed skills for sending "positive vibes" on these platforms without flouting netiquette. Employees who lack these skills require extra effort to achieve similar outcomes.

Oftentimes, relational power and influence play out in interesting ways when it comes to collaboration platforms. At first glance, one might not think much of the use of emojis or GIFs in a text-based chat platform, but this is a prime example of relational influence at play. For

instance, studies show that <u>emojis, GIFs, and other visual symbols</u> can serve pragmatic functions in communicating or accentuating a message. Here, individuals use tech functions to connect with others' emotions and assert their personality within the social structure of the team. We found that individuals who are able to wield relational power and advance their interests understand the significance of text as an extension of themselves on technology platforms. We also found that these individuals tend to acquire social capital in the network such that their colleagues look to them for leadership.

Practical Implications for Managers

You can enhance your own effectiveness as well as your employees' in a virtual environment by taking steps to cultivate influence beyond hierarchical roles.

- **Develop your relational power.** The playing field has changed as many companies have shifted to hybrid work models. For managers who work in virtual environments with their employees, it's important to recognize that your traditional hierarchical position can take you only so far. Research that encourages managers to make their <u>teams less hierarchical</u> in order to be more nimble also applies to the world of hybrid work. Companies and teams might consider adopting flatter organizational structures, which can help reduce managerial distance, particularly in a virtual environment. Developing relational power in the virtual domain may often involve managers <u>reskilling</u> in order to extend their influence. This might range from the use of visual symbols in textual communication to the sharing of more informal information with your team on tech platforms. Here, it is not simply about being informal; the key is to have contextual sensitivity and to be aware of the meanings that are typically ascribed to those symbols, as a recent <u>study</u> suggests.

- **Identify and recognize potential among your employees.** Managers should recognize the efforts of employees who may have important relational power within the organization and consider assigning more formalized responsibilities to them. Research indicates how <u>formally recognizing employees</u> in this way can be a strong motivator, boosting morale and performance. It also signals to the team that the organization is committed to employee growth irrespective of the employee's primary work role. Additionally, it means that the technological platform goes beyond being only a mediator for manager-employee interactions. This provides managers space for seeing other dimensions of employee performance outside of specified KPIs. As research suggests, relational practices can become indicators for <u>spotting leadership potential</u> among employees.

- **Align technological investments with company goals.** Managers must think carefully about the limitations of technology platforms when it comes to building a cohesive online community. It's important to research and select technologies that align with the strategic intent of the organization for developing effective manager-employee relationships. This will ensure that the technologies are not deployed as off-the-shelf additions but are intentionally chosen because of the capabilities they afford, which can also help to provide a <u>competitive advantage</u>. Remember that just because a competitor is using a particular platform, that doesn't mean you are obliged to adopt it. Research suggests that a "<u>keeping up with the Joneses</u>" approach does not always work.

Our research has shown that in the world of remote and hybrid work, hierarchical power alone is not enough. <u>Hierarchies have merit</u>. However, to succeed in increasingly virtual work

settings, companies and managers must shift their thinking when it comes to how power is distributed within the organization and the tools they use to build and confer relational power.