Three Currencies of Influence

Idea In Short

Audit your influence across three currencies: positional power from title, relational power from shared history and expertise power from rare, valuable skills. Relational power is the primary currency of large organizations and the easiest to build. Consultants accumulate all three deliberately through the project process.

Three Kinds of Workplace Power

Influence in the workplace arrives in three forms, and while nobody needs all three, everyone needs some: positional, relational and expertise. The framework circulates in management podcasts and training rooms because it is simple and perhaps the most elegant way to think through the problem, applying equally to individual careers and to client projects.1 Sorting your own influence into the three currencies is a clarifying exercise, and most professionals discover their portfolio is far more lopsided than they assumed.

Positional Power: The Hammer

Positional power is straightforward, tops-down power flowing from title, budget, headcount and role. As a formula, the chief operating officer outranks the vice president, who outranks the director, the manager and the analyst. It works, and it works like a hammer: blunt, short-term and tiresome. The parenting analogy lands precisely, since answering a child's why with because I am your father and I said so achieves compliance without achieving anything else. Leaders who rely primarily on position spend their days re-swinging the hammer, and organizations learn to move only when hit.

Relational Power: The Primary Currency

Relational power is the workhorse of large organizations. People work together, help each other out, team up for success, forgive mistakes and generally stick together, bound by shared history. Robert Cialdini's research on influence catalogs the mechanisms, reciprocity chief among them, by which social creatures persuade one another.2 Relationships matter because most work crosses boundaries that no single title governs, and the colleague who owes you a favor moves faster than the subordinate who owes you obedience. This currency is also the easiest to accumulate, requiring presence, helpfulness and time rather than promotion or credentials.

Expertise Power: The Individual's Mint

Expertise power is where the individual shines, the compound of education, experience and real thinking. Business school frames it through the resource-based view, which locates competitive advantage in what is rare, valuable and difficult to imitate, a test that applies to people exactly as it applies to firms. Malcolm Gladwell popularized the acquisition cost in Outliers, drawing on research showing genuine expertise takes roughly ten thousand hours of practice.3 The underlying studies state the conclusion plainly: experts are always made, not born. Expertise is the slowest currency to mint and the hardest to devalue, since nobody can reorganize it away.

How Consultants Accumulate All Three

The consulting process, whether practitioners realize it or not, is designed to accumulate influence at the client site, and five mechanisms do the work. The kick-off meeting operates on positional power: the executive sponsor formally introduces the consultants to her staff, loaning them some of her authority, like a substitute teacher wielding borrowed and privileged power. The project plan extends the positional grant by giving consultants control of the project's rhythm, organizing activities and scoping work while due dates create momentum, the way an air traffic controller runs the airport without flying a single plane.

Best practices supply expertise power. Consultants benefit from having worked across competitors, suppliers and customers, and clients prize that outside-in perspective, asking constantly what best practice looks like. Benchmarks, maturity models and survey results all trade on the same currency. Data compounds it, because many clients genuinely do not know whether they are running a five-minute or a twelve-minute mile. They have a sense, usually correct, and cannot show the evidence, so the consultant who brings data brings credibility and conviction at once.

Relational power requires the most deliberate construction, since consultants arrive with almost no relational equity, often knowing only the buyer of the services. Meeting working-level stakeholders early is critical, building rapport through professionalism, friendliness and helpfulness, with the tacit understanding that consultants can help or hurt career prospects adding weight to every interaction. The Monday-through-Thursday on-site tradition exists largely for relational reasons. The travel is a beast, and sharing meals and hallways builds the relationships that make everything else work, a truth one former Deloitte marketing chief compressed into a bestselling title: never eat alone.

Auditing Your Own Portfolio

The framework doubles as a personal diagnostic worth running annually. List your last five significant wins and mark which currency carried each: did the title move things, did relationships open the doors or did expertise close the argument? Most professionals discover heavy dependence on one currency, and the dependency maps to career risk. Position-heavy operators are one reorganization from powerlessness. Expertise-heavy specialists stall when their domain commoditizes. Relationship-heavy connectors struggle in new organizations where the account starts empty. The balanced portfolio is the durable one, and each currency has a deliberate building move: seek roles with real authority to practice positional power responsibly, invest the ten thousand hours in a domain the market values and spend calendar time on the relationships that compound. Influence, like wealth, rewards diversification.

Borrowed, Temporary, Fragile

The caveat governs everything above. All of this power and influence is temporary, borrowed and sometimes fragile, revocable the moment trust breaks. Marvin Bower, the patriarch of McKinsey, demanded the highest professionalism, integrity and candor from his consultants for exactly this reason. Influence held on loan must be serviced with character, and the professionals who forget the loan terms discover how quickly all three currencies can be withdrawn.

- 1Manager Tools
- 2Robert Cialdini
- 3Outliers

Summary

Positional power works like a hammer, blunt and tiresome. Expertise power takes ten thousand hours to mint. Relational power, built through presence, reciprocity and shared meals, moves large organizations daily. The consulting process manufactures all three, and every ounce is borrowed, temporary and fragile.