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The loss of power: How illusions of alliance contribute to powerholders' downfall

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ABSTRACT

Though people in positions of power have many advantages that sustain their power, stories abound of individuals who fall from their lofty perch. How does this happen? The current research examined the role of *illusions of alliance*, which we define as overestimating the strength of one's alliances with others. We tested whether powerholders lose power when they possess overly positive perceptions of their relationships with others, which in turn leads to the weakening of those relationships. Studies 1 and 2 found that powerful individuals were more likely to hold illusions of alliance. Using laboratory as well as field contexts, Studies 3, 4, and 5 found that individuals with power who held illusions of alliance obtained fewer resources, were excluded more frequently from alliances, and lost their power. These findings suggest that power sometimes leads to its own demise because powerful individuals erroneously assume that others feel allied to them.

Introduction

When Jimmy Cayne, the CEO of Bear Stearns, left the organization under tumultuous circumstances, many described his departure as "not a fond farewell." Yet despite the cold sendoff for Cayne he stated, "When I left on January 4…there wasn't a dry eye. Standing ovation. I was crying…. Standing ovation, of the whole auditorium" (Cohen, 2009, p. 416). Cayne seemed to have suffered from what we will call an *illusion of alliance*: he overestimated the strength of his relationships with others.

Moreover, as one reads various cases in which other high profile CEOs fell from power, illusions of alliance seem to play a consistent role in leading to their downfall, including Steve Jobs in his early career at Apple (Pfeffer, 1992), Phil Purcell at Morgan Stanley (Beard, 2007), and Pete Peterson at Lehman Brothers (Auletta, 1986), to name a few. These cases follow a similar pattern: powerful individuals who overestimated how much others in the organization were allied to them, and who subsequently failed to nurture and maintain those alliances that were critical to their survival. As a result they were demoted, forced to resign, or simply fired.

The current research examines empirically whether illusions of alliance indeed play an important role in the loss of power. First, based on recent research on the psychology of power, we hypothesized that the possession of power causes individuals to overestimate the strength of their alliances with others. Second, we hypothesized that these illusions of alliance weaken powerholders' relationships with others, and ultimately contribute to the individual's downfall. Our studies thus examine why power can sometimes "lead to its own demise."

Power gain and loss

Power is largely stable and self-reinforcing (Magee & Galinsky, 2008). Powerful individuals possess a multitude of material, political, and psychological advantages that help them maintain their power over time (Gruenfeld & Tiedens, 2010). However, power hierarchies can and do change (Bendersky & Hays, 2010; Sivanathan, Pillutla, & Murnighan, 2008). Despite the many advantages they possess, powerful individuals are sometimes demoted to lower rank in the group or organization, or are forced out of the organization entirely.

So how then do powerful individuals lose their power? Of course, broader factors outside the individual's control can play a role. CEOs can lose power due to economic volatility, failed mergers and acquisitions, or disruptive technological changes in their industry, for example (Burkhardt & Brass, 1990; Hambrick & Cannella, 1993; Osborn, Jauch, Martin, & Glueck, 1981; Stein & Capapé, 2009). Structural factors such as pay structure and board composition also predict turnover in top management teams (Boeker, 1992; Salancik & Pfeffer, 1980).

But anecdotal evidence and recent research suggest that powerholders' own behavior is also a likely common cause for their loss of power. For example, studies have shown that power can lead to faulty decision-making (Fast, Sivanathan, Mayer, & Galinsky, 2012), the violation of social contracts (e.g., Keltner, Gruenfeld, & Anderson, 2003), and ethical transgressions (Kipnis, 1972).

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Surprisingly little, if any, research has examined the processes by which powerholders can cause their own demise, however. Some recent research has begun to investigate how individuals *respond* to changes in hierarchies (Pettit, Yong, & Spataro, 2010; Sivanathan et al., 2008). For example, Sivanathan et al. (2008) found that individuals overreact to gains in power, in that they markedly increase their demands following an increase in power. This pioneering work demonstrates how individuals respond to gains and loss in power, but it does not address the factors that contribute to power loss in the first place. The current research thus aimed to fill this lacuna by examining directly how power is lost, and how powerholders' own behavior can contribute to such loss.

The importance of alliances to power

In line with many other theorists, we define power as an individual's ability to influence another person or other people by providing or withholding resources (French & Raven, 1959; Keltner et al., 2003; Thibaut & Kelley, 1959). Power is inherently relational, in that powerholders rely on their relationships and alliances to maintain their power (Emerson, 1962). Fiske and Berdahl (2007), for example, argue that "power is always socially situated" (p 680).

Therefore, we propose that an important determinant of power loss is powerholders' difficulties in managing their interpersonal relationships. More specifically, we believe that the failure to form and maintain alliances is a primary contributor to power loss. Alliances can be broadly defined as "two or more parties who act jointly to obtain a mutually desired outcome" (Polzer, Mannix, & Neale, 1998; Thibaut & Kelley, 1959).

Alliances are critical to the acquisition and maintenance of power for a number of reasons. First, alliances reduce individuals' dependence on others (Thompson, 1967). By forming more alliances, individuals depend less on each other single individual around them because they have many alternative alliances on which they can rely (Emerson, 1962; Ocasio, 2002; Shen & Cannella, 2002). Alliances also provide power in the form of political support, and allow individuals to obtain sufficient resources to influence others and implement their own ideas (March & Simon, 1958; Pfeffer & Salancik, 1978). Finally, alliances provide individuals with both access to information and control over the flow of information (Burt, 2000; Podolny & Baron, 1997).

Because alliances are so critical to the acquisition and maintenance of power, the ability to effectively form and maintain alliances with others is thus a critical determinant of power. Likewise, the inability to form and maintain alliances with others is likely a determinant of power loss.

Power and illusions of alliance

How might powerholders fail to form and maintain alliances with others? Developing strong alliances requires that the ability to monitor one's interpersonal relationships and recognize when they need strengthening (Kerr & Levine, 2008; Leary & Baumeister, 2000). Research on the social monitoring system (Pickett & Gardner, 2005), for example, suggests that when individuals perceive a deficiency in their connections with others, they can correct those deficiencies by monitoring their social environment more vigilantly and acting strategically to build up and nurture their alliances. Individuals can watch for the verbal and nonverbal social cues that provide information on the source of any deficiency, and seize on opportunities to repair or promote the relationship by engaging in behaviors that build affiliation and rapport.

One important implication of the work on the social monitoring system is that individuals must accurately perceive their alliances in order to correct deficiencies in their relationships with others. Yet research suggests powerholders might commonly hold overly positive perceptions of their alliances, thereby constraining their ability to recognize when deficits exist. In general, research has found that individuals with high power are less accurate social judges than are individuals with low power (Fiske, 1993; Galinsky, Magee, Inesi, & Gruenfeld, 2006; Goodwin, Gubin, Fiske, & Yzerbyt, 2000). Moreover, prior work has shown that power leads individuals to focus more on rewarding aspects of their environments (Inesi, 2010; Keltner et al., 2003). For instance, powerholders are more optimistic in perceiving the social and material world around them (Anderson & Galinsky, 2006) and fail to recognize when others are angry at them (Anderson & Berdahl, 2002). By myopically focusing on rewarding aspects of their environments and ignoring negative information, powerholders might fail to perceive problematic aspects of their social environments that may require repair or nurturing.

The abovementioned research suggests that powerful individuals may hold overly positive, biased assessments of their alliances with others. In turn, these illusions of alliance might hamper powerholders' ability to form and maintain alliances because those individuals would eschew opportunities to form or strengthen their alliances with others. For example, powerholders might fail to engage in ingratiation (e.g., making the other feel positively about him/herself) or self-promotion (e.g., clarifying their value to the other; Jones & Pittman, 1982). By failing to engage in these behaviors, powerful individuals' current and potential alliance partners may feel less allied to that individual. They might feel undervalued by the powerholder and that they are being taken for granted. As a result, as others distance themselves from the powerholder, that individual would begin to lose power.

To be clear, we do not believe powerful individuals will always lose their power, or even lose it in the majority of cases. As argued above, powerholders possess so many advantages over those without power that hierarchies tend to be largely stable over time; powerholders tend to keep their power more often than they lose it (Magee & Galinsky, 2008). However, there are circumstances in which powerful individuals do lose their power – and we propose that one such circumstance is when the powerful possess illusions of alliance.

Overview of studies

We conducted five studies to test our hypotheses. Studies 1 and 2 examined longer-term work groups and tested whether power increases the propensity to hold illusions of alliance. Studies 3, 4, and 5 tested whether illusions of alliance led to the weakening of alliances and subsequently to a loss of power. Studies 3 and 4 used a laboratory exercise, which allowed for more precise measures and control for potential confounds. Study 5, used longer-term work groups and focused on the loss of rank within the group's hierarchy over time.

Study 1

Study 1 involved members of longer-term team projects, which allowed us to examine alliances across multiple relationships and in an interdependent context that had real-world consequences for the participants. In this study, participants worked together in groups of 4–5 throughout a 15-week period on projects in an introductory business class. Prior to the formation of the group, as part of a larger questionnaire, participants reported their dispositional sense of power. Power has been shown to be both a relational variable (Emerson, 1962) as well as a psychological property of individuals (Chen, Lee-Chai, & Bargh, 2001; Galinsky, Gruenfeld, & Magee, 2003). Dispositional power was therefore used as a measure in this study as it has been shown to be a

reliable measure of power (Anderson & Galinsky, 2006) and to correlate with people's standing in power hierarchies as well as the likelihood of occupying powerful roles (Anderson, John, & Keltner, 2012). We predicted that participants high in dispositional power would hold higher illusions of alliance vis-à-vis their fellow team members than participants low in dispositional power.

Method

Participants

Participants were 115 undergraduate business students (58 men and 57 women) in an introductory organizational behavior course at a West Coast university. Seven participants failed to complete a prescreening measure, which included the predictor variable, and were dropped. The participants were 22 years old on average (SD = 2.77), with 67% of participants Asian, 21% Caucasian, 5% Middle Eastern, 3% Hispanic/Latino, and 4% who reported "other" or did not report ethnicity.

Procedure

The data were collected as part of a semester-long class project. Students were randomly assigned to project groups of 4–5 members (23 groups total, M = 4.69). Groups analyzed a real-world organization using the course content. The group project grade accounted for 30% of the students' final course grades.

At the end of the 15-week semester, after students completed their group project but before final grades were submitted, participants made ratings of their group members. We implemented the social relations model analyses of these round-robin ratings using the software program SOREMO (Kenny, 1994). SOREMO calculated two scores for each participant: a target score, which reflects how that individual was typically perceived by the others in the group, and a perceiver score, which reflects how that individual typically perceived others. SOREMO removed group differences, making these scores statistically independent of group membership and appropriate for conventional least squares procedures (see Kenny & La Voie, 1985).

Dispositional power

At the beginning of the semester, as part of a larger prescreening questionnaire, participants completed the Sense of Power scale (Anderson et al., 2012), and reported their generalized beliefs about the power they have in their relationships with others. Participants were asked to rate their agreement with eight items such as 'In my relationships with others, I think I have a great deal of power,' on a scale from 1 ('Strongly disagree') to 7 ('Strongly agree'). The scale showed internal consistency, α = .78 (M = 5.29, SD = .67).

Illusions of alliance

After the group project was completed, participants rated the strength of their alliances with their group members on two sets of questions. We developed an alliance measure that was grounded in the psychological and organizational literature on interpersonal alliances (Polzer et al., 1998). First, participants rated how allied they felt to each of their group members. Participants were asked to rate their agreement with four items, 'I feel loyal to this person', 'I would be willing to do a favor for this person', 'If this person needed help, they could count on me to help them', and 'I would work with this person again in the future' on a scale from 1 ('Strongly disagree') to 7 ('Strongly Agree'). This served as our criterion measure of alliance, α = .91 (M = .00, SD = .59).

Participants also rated how allied they believed each member of the team felt towards them. Participants responded to items similar to the items on the alliance criterion scale, but assessed how they believed others felt towards them on the four items, for example, 'This person feels loyal to me' (α = .91, M = .00, SD = 1.00).

Based on previous work on biased perceptions (e.g., Cohen, Cohen, West, & Aiken, 2003; Cronbach & Furby, 1970; DuBois, 1957; John & Robins, 1994), we calculated an index of illusions of alliance using a regression technique. Specifically, we regressed the target scores of an individual's teammates' alliance ratings on the perceiver scores of an individual's assessments of how allied their partners felt toward them, and retained the standardized residual. The residual score represents the variance in perceived alliance after the variance predicted by actual alliance has been removed. High scores on this alliance measure indicate illusions of alliance; individuals with higher scores believed that others on the team felt more allied to them than those team members actually did (M = .00, SD = 1.00).

Control variables

We assessed the Big Five personality traits (Costa & McCrae, 1985), using the Ten Item Personality Inventory (Gosling, Rentfrow, & Swann, 2003), to ensure that any observed effects were independent of other potential confounding personality variables. We also controlled for gender, as previous research suggests that gender may impact illusions of alliance (Abbey, 1982; Keltner, Young, Heerey, Oemig, & Monarch, 1998).

Results and discussion

Did dispositional power predict illusions of alliance?

As hypothesized, dispositional power correlated with illusions of alliance in the group, r (106) = .251, p = .009. Table 1 presents coefficients from a multiple regression analysis in which we predicted illusions of alliance with dispositional sense of power as well as the aforementioned five individual difference variables and gender. This finding lends some reassurance that the relation between illusions of alliance and sense of power was not driven by any of these other variables.

The findings in Study 1 suggested that individuals with a high sense of power held illusions of alliance. Participants who had a higher dispositional sense of power were more likely to overestimate the extent to which others in long-term work groups were allied to them.

Study 2

The results from Study 1 found that those with high dispositional power overestimated the extent to which others were allied to them in the group. However, because Study 1 used a correlational design, we were unable to establish whether dispositional power caused illusions of alliance. We therefore used an experimental design in Study 2. Participants were given a priming manipulation to activate the sense of power (Galinsky et al.,

Table 1
Study 1: Dispositional sense of power predicts illusions of alliance.

Variable	b	SE	β	t
(Constant)	.07	.90		.08
Sense of power	**.48**	**.18**	**.32**	**2.73***
Male	.26	.21	.13	1.27
Extraversion	.08	.09	.10	.91
Agreeableness	.14	.09	.16	1.58
Conscientiousness	−.17	.10	−.18	−1.73
Emotional stability	−.07	.10	−.09	−.77
Openness	.08	.10	.01	.08

Note. Statistics appearing in bold represent tests of our hypotheses.
* p = .001.

2003), in which they were asked to recall a situation in which they either possessed power over someone else, or in which another possessed power over them. We tested whether making individuals temporarily feel more powerful would make them hold biased, overly positive perceptions of their existing alliances.

Method

Participants

The participant pool was similar to that in Study 1. Participants were 53 undergraduate business students (17 women and 36 men) enrolled in an introductory organizational behavior course at a West Coast university. The data were again collected as part of a semester-long class project that was a required part of the course. The participants were 22 years old on average (SD = 2.52), with 38% of participants Asian, 26% Caucasian, 9% Hispanic/Latino, 2% Middle Eastern, and 25% who reported 'other' or who did not report ethnicity. Out of the total possible pool of students, 53 were recruited for this experiment.

Procedure

One week before the class project teams made peer ratings of each team member, participants came to the laboratory and were seated at a computer workstation. They were randomly assigned to one of three conditions: high-power, low-power, and control. In the high-power condition, participants wrote about a situation in which they controlled the ability of another person or persons to get something they wanted or were in a position to evaluate those individuals (see Galinsky et al., 2003). In the low-power condition, participants wrote about a personal incident in which someone else had power over them. Participants in the control condition were asked to describe their day yesterday, including what happened and how they felt.

To reduce the apparent connection between the power manipulation and our measures of interest, following the power prime, participants completed a filler task that involved rating individuals from photographs. We also measured participants' positive affect, to account for the possibility that power may lead to illusions of alliance simply because it makes people feel better in general, and therefore more optimistic about their relationships with others. Finally, participants were asked to make ratings of their project teammates, which served as part of our illusions of alliance measure.

Illusions of alliance

Participants rated how allied they believed the members of their project group felt towards them using the same four items from Study 1, α = .70 (M = .00, SD = .59). Approximately 1 week after the experimental session, as part of the class feedback exercise, participants rated how allied they felt to each of their group members, using the same four items as in Study 1. We again implemented the social relations model analyses of these round-robin ratings of alliance, which we used as our criterion measure, α = .81 (M = .00, SD = .16). We then calculated an index of illusions of alliance the same way as in Study 1 (M = .00, SD = .65).

Positive affect

Positive affect was measured using the positive affect scale of the Positive and Negative Affect Schedule, or PANAS (Watson, Clark, & Tellegen, 1988). Participants reported to what extent they felt 10 emotions "you feel this way right now, that is, at the present moment": *interested*, *excited*, *enthusiastic*, *proud*, *alert*, *strong*, *inspired*, *determined*, *attentive*, *and active*, on a scale from 1 ("Very slightly or not at all") to 5 ("Extremely"). The scale showed internal consistency, α = .78 (M = 2.52, SD = .64).

Results and discussion

Did primed power lead to illusions of alliance?

An ANOVA was performed with illusion of alliance index as the dependent variable and the power prime condition (Low Power, High Power, and Control) as the independent variable. There was a significant effect of power, $F(2,52) = 4.77$, $p = .013$. Scheffe post hoc comparisons indicated the High Power (M = .35, SD = .63) differed from Low Power ($M = -.22$, SD = .60), p = .032, and Control conditions ($M = -.22$, SD = .72), p = .045, but the Low Power and Control conditions did not differ from each other. For participants in the High Power condition, scores on the illusion of alliance index significantly differed from 0, $t(18) = 2.45$, $p < 026$. Low power and control participants' scores did not differ from zero. These findings suggest placing participants into a high-power mindset caused them to form illusions of alliance in their existing relationships, relative to participants who were in control condition and those who were made to feel as though they lacked power.

Positive affect

Positive affect was not affected by the power prime, $F(2,52) = .334$, n.s. Moreover, in an ANCOVA, controlling for positive affect, the effect of the power prime condition on illusions of alliance remained significant, $F(2,52) = 4.431$, $p = .017$. Therefore, it does not seem to be the case that the power manipulation increased illusions of alliance simply because it made participants feel better emotionally.

Summary

As hypothesized, participants primed with high power demonstrated higher illusions of alliance than those primed with low power and control participants. Taken together, Studies 1 and 2 suggest that power, whether measured as a disposition or experimentally manipulated in the laboratory using a priming task, increases the propensity with which individuals hold illusions of alliance. Moreover, Study 2 suggests that power causes individuals to hold illusions of alliance. It is noteworthy that in Study 2 the simple power prime changed individuals' perceptions of their *existing* relationships – relationships in which they had ample time of which to form perceptions. Therefore, this suggests how robust the impact of power on illusions of alliance can be; simply thinking about a time in which one had power in the past is enough to modify people's perceptions of their longstanding relationships.

Study 3

Studies 1 and 2 tested our first main hypothesis: that power leads individuals to hold illusions of alliance. In Study 3, we tested our second main hypothesis, that having illusions of alliance would lead powerholders to lose their power. To do so we wanted to use a context in which some individuals possessed more power than others, and in which individuals could freely form alliances with others as well as exclude others from their alliances. We chose a modified version of Federated Science Fund (Mannix, 1993), a three-person task in which each participant enacts the role of a firm competing for funding with the other two firms. To receive funding, participants must form an alliance with one or both other parties. Furthermore, participants vary in the amount of power that they have, in that high-powered participants have the ability to provide more resources than others (Keltner et al., 2003). However, more powerful parties still must form alliances with others to succeed at the task – a context that mirrors the typical real world situation in which powerful individuals still ultimately rely on others to accomplish their goals.

We tested whether powerful participants who hold illusions of alliance would obtain fewer points in the final agreements, and would be excluded from the final alliance more frequently. The points obtained in the final agreement reflect the control over resources individuals have in the end, and thus the power they ultimately possessed. Consistent with Studies 1 and 2, we predicted that high-power participants would be overestimate the strength of their alliances more than those with less power; however, this study goes further to test whether powerholders who held such illusions would obtain fewer resources and be excluded from the final alliance. Moreover, we expected the weakening in the strength of alliances to mediate the effects of illusions of alliance on resources held and exclusion from alliances. That is, illusions of alliance would lead to the loss of power as a function of the weakening of the strength of alliances that powerholders have with others.

Finally, along an exploratory vein we examined whether illusions of alliance might affect powerful and less powerful individuals differently. One possibility is that all individuals – both high and low in power – are negatively affected by their illusions of alliance. Failing to recognize when alliances need attention and nurturance might reduce the power of all individuals, no matter their place in the power structure. Another possibility is that illusions of alliance are particularly damaging for low-power individuals. Low-power individuals are often punished more severely for transgressions than are those at the top (e.g., Hollander, 1958). Still another possibility is that high-power individuals might ironically be more damaged by holding illusions of alliance. The approach/inhibition theory of power (Keltner et al., 2003) suggests that high-power individuals are more likely to behave in ways consistent with their perceptions, attitudes, or feelings (e.g., Galinsky et al., 2006), as opposed to low-power individuals, who are more constrained by the situation and governed by social norms and expectations. This suggests that high-power individuals might be particularly likely to behave dismissively toward potential and current allies, and thus lose those allies. We examined this issue as an open research question.

Method

Participants

Participants were 147 undergraduate business students (66 women and 78 men, 3 not reporting sex) enrolled in an introductory organizational behavior course at a West Coast university. The participants were 22 years old on average (SD = 3.29), with 40.8% of participants Asian, 26.5% Caucasian, 8.8% African American, 3.4% Hispanic/Latino, and 20.5% who reported mixed or no ethnicity.

Procedure

Upon arrival to the laboratory, participants were assigned to groups of three and randomly assigned to roles within each group. In Federated Science Fund (Mannix, 1993), three research organizations (Stockman, Turbo, and United) are bidding for research funds from a funding agency. Participants are told that the funding agency is willing to provide funds to any two- or three-party alliance. The values of the alliances are as follows: the three-party alliance obtains the maximum funding of $460,000. An alliance between Stockman and Turbo or Stockman and United is worth $460,000. An alliance between Turbo and United, in contrast, is worth $440,000. Participants are instructed that they can form a two- or three-party alliance.

Based on the value of each alliance, a "quota", or power level, can be derived for each party. Stockman's contribution to the alliance is $240,000, while Turbo and United's contribution is $220,000. Thus, consistent with conceptualization of power as asymmetric control over valued resources (Emerson, 1962; Polzer et al., 1998), Stockman has the greatest amount of power (i.e., control over resources). We examined the effectiveness of the power manipulation in a pilot study. Ninety-seven pilot participants were assigned to one of the three roles and rated two items, 'I have a lot of power in this negotiation,' and 'I will be dominant in this negotiation', on scale from 1 ('Strongly disagree') to 7 ('Strongly Agree'). The two items were significantly correlated, $r(95) = .593$, $p < .001$, and therefore combined. Participants in the high power role reported feeling more powerful (M = 5.06, SD = .96) than participants in the low power roles (M = 4.54, SD = 1.00), $t(95) = -2.45$, $p = .016$.

To help engage participants in the task, an incentive was provided for performance. Participants were told that one group from the study would be randomly selected and provided with a prize. The prize was the value of their agreement divided by 1000. For example, in an agreement between Turbo and United worth $440,000, the prize would be $440. Participants were told the prize would be split among them according to the terms of their agreement.

After they read the materials, participants rated the extent to which they wanted to form an alliance with each of the other participants, as well as the extent to which they felt that each of their partners wanted to form an alliance with them. These measures, as described below, were used to compute the illusion of alliance measure. The measure captured the extent to which powerholders overestimated others' motivation to form alliances with them.

After completing the illusion of alliance measure, participants were subsequently directed to online chat rooms in which they were able to communicate with their counterparts. Each participant was part of three chat rooms all shown on their computer screen: a main chat room in which they could communicate with both of their counterparts simultaneously, and two chat rooms in which they could communicate with each of their counterparts privately. Participants were given 30 min to negotiate the terms of their agreements, which consisted of trying to form an alliance with at least one other participant, and establishing how the funds would be shared among the alliance members. After coming to an agreement, participants were subsequently asked to complete a post-exercise survey.

Illusions of alliance

Before the task, participants rated the extent to which they wanted to form an alliance with each of the other participants (e.g., "To what extent do you want to form an alliance with Stockman?") on a scale of 1 (Not at all) to 7 (Very much). They also estimated how much each of their partners wanted to form an alliance with them. An illusion of alliance would result when participants overestimated the degree to which their partners wanted to form an alliance with them. As in previous studies, we calculated an index of illusions of alliance with a regression technique, regressing the average of an individual's partners' alliance ratings on the average of an individuals' estimates of those ratings, and retained the standardized residual. The residual score represents the variance in perceived alliance after the variance predicted by actual alliance has been removed. High scores on this alliance measure indicate illusions of alliance (M = .00, SD = .99).

Resources obtained

To assess the extent to which illusions of alliance contributed to the resources obtained by high-power participants, we examined the number of points that participants received in the final agreement. The number of points that participants achieve in the final agreement reflects the total share of the available resources they obtained.

Exclusion from alliances

We also examined the frequency with which the two low power participants (Turbo and United) formed a two-party alliance that excluded the high-power role (Stockman).

Eventual strength of alliances

The mediator, the eventual strength of alliances, was collected after participants completed the exercise. We asked whether illusions of alliance, as measured before the task, led to decreases in the eventual strength of the alliances, as measured after the task, and therefore led to lower resources obtained and higher exclusion rates for the high power actors. We combined the two low-power participants' ratings on how strongly allied they felt to their partners on two items, ('I feel allied to this person.' and 'I feel loyal to this person.'). These items were correlated, r (47) = .70, $p < .001$, and were combined into one measure of eventual strength of alliances.

Results and discussion

Did high power participants have stronger illusions of alliance?

Consistent with Studies 1 and 2, participants in the high power role ($M_{Stockman}$ = .62, $SD_{Stockman}$ = .76) overestimated the strength of their alliances more than participants in the low power roles (M_{Turbo} = −.22, SD_{Turbo} = .95; M_{United} = −.40, SD_{United} = .97), $t(144) = 5.94$, $p < .001$. Also, illusions of alliance for participants in the high power role were significantly different from 0, indicating a tendency to overestimate their alliances on an absolute level, $t(48) = 5.71$, $p < .001$.

Did high power participants with illusions of alliance obtain fewer resources?

When high-power participants had more illusions of alliance, they obtained fewer points, $\beta = -.363$, t (48) = −2.674, $p = .010$. High-power participants with illusions of alliance thus obtained a smaller share of resources within the agreements than those who perceived their alliances more accurately. We next tested whether high-power participants' illusions of alliance led to a loss of power because it eventually led to weaker alliances with others.

To do so, we employed bootstrapping analyses using methods described by Preacher and Hayes (2004,2008) for estimating direct and indirect effects with mediators. As noted above, high-power actors' illusions of alliance predicted the final points they obtained in the agreement (B = −50010.78, t = −2.67, $p = .01$). Moreover, illusions of alliance predicted weaker eventual strength of alliances, (B = −.44, t = −2.068, $p = .044$). Thus the first two criteria for mediation were met. The effect of eventual strength of alliances on points achieved in the task was also significant (B = 36978.28, t = 3.15, $p = .003$). Finally, the effect of illusions of alliance on points was non-significant after controlling for strength of alliances (B = −33710.92, t = −1.882, *n.s.*), see Fig. 1. A bootstrapping analysis (n = 5000 estimates) indicated that this reduction was significant (Boot = −15505.63, SE = 9539.43, 95% CI: −42003.33 to −1828.03). These results indicate high-power actors who held illusions of alliance obtained fewer resources because they eventually had weaker alliances in the task.

Were high power participants with illusions of alliance excluded from alliances?

The more high-power participants held illusions of alliance, the more frequently they were excluded from the alliance, binary logistic regression, $\beta = 1.26$, Wald (1) = 6.62, $p = .01$. Therefore, not only did high power individuals obtain fewer resources when they held illusions of alliance – they were also excluded entirely from coalitions more often.

We next examined the mediating role of strength of the alliance on exclusion rates. This analysis revealed an indirect effect of with a 95% confidence interval ranging from −.11 to 1.99, indicating a non-significant indirect effect, given that the zero point was included in the interval (Preacher & Hayes, 2008). The mediation results found for the points variable were thus not replicated with exclusion rates. One possible reason for this effect is the reduced power of the statistical test due to the dichotomous nature of the exclusion outcome (Cohen et al., 2003).

Exploratory analyses

Finally, along an exploratory vein, we next examined the impact of illusions of alliance among low-power participants, to see how it compared to the effects observed above for high-power participants. Interestingly, illusions of alliance did not impact the share of resources low-power parties obtained in the final agreement, β = −.057, t (97) = −.562, *n.s.* Therefore, this suggests that illusions of alliance were damaging only to those with high power – not to those with low power. Similarly, illusions of alliance among the low-power individuals did not impact the frequency with which they were excluded from the coalitions, $\beta = .045$, Wald (1) = .029, *n.s.* Taken together, these findings indicate that high-power individuals were not only more likely to hold illusions of alliance, but that those illusions were particularly damaging to them.

Summary

Study 3 demonstrated that when high-power individuals held illusions of alliance, they obtained fewer resources and were excluded from alliances more. In other words, high-power individuals garnered fewer resources (a core component of power) when they overestimated how allied others were to them. Furthermore, high-power individuals' illusions of alliance led to obtaining fewer resources because they eventually led to weaker alliances. This supports our theoretical model, suggesting that illusions of alliance led high-power individuals to have weaker alliances over time, which in turn harmed their power base.

Study 4

Because Study 3 examined illusions of alliance using a correlational design, it could not rule out third-variable explanations that may have driven the results. To establish the causal role of illusions

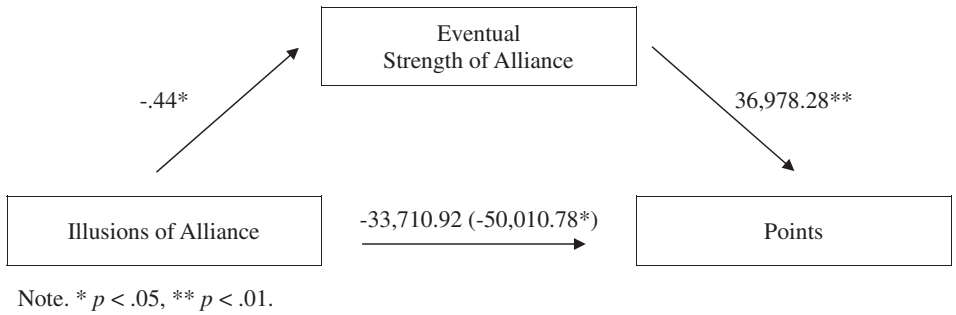

Fig. 1. Mediation analysis for eventual strength of alliance in Study 3.

of alliance, Study 4 used an experimental design. Participants engaged in the same three-person exercise as in Study 3, but here, the high-power participants' perceptions of their alliances were also manipulated. Consistent with Study 3, we predicted that high-power participants in the illusions of alliance condition would obtain fewer resources and be excluded more frequently than participants who were not led to overestimate their alliances. Because our focus was on powerholders' loss of power, we manipulated illusions of alliance among high-power participants only; manipulating illusions of alliance in low-power participants seemed unnecessary given our theoretical rational and the results from Study 3, in which low-power participants did not hold illusions of alliance and were not affected by their perceptions of their alliances.

Method

Participants

Participants were 93 undergraduate business students (46 women, 46 men, and 1 who did not report sex) in an introductory organizational behavior course at a West Coast university. The participants were 22 years old on average (SD = 2.66) and 60.2% of participants were Asian, 24.7% Caucasian, 4.3% Hispanic/Latino, 4.3% African American, and 6.5% who did not report ethnicity.

Procedure

The procedure for this study followed that of Study 3, with one exception. After reading the instructions for the task, randomly selected participants in the high-power role (Stockman) were provided information aimed to give them an illusion of alliance. That is, they were led to overestimate the extent to which others in the alliance exercise were motivated to establish an alliance with them. These participants were given false information about previous outcomes of the Federated Science Fund exercise. Participants in the high-power, high illusions of alliance condition were told (with instructions for participants in the high-power, low illusions of alliance condition in parentheses):

> To help you prepare for the negotiation, we are providing you with two pieces of information about this case. First, this negotiation has been conducted in hundreds of MBA classes in universities across the United States. The results of these many replications suggest that in 95% (15%) of cases, the Stockman role is included in the final agreement. Second, surveys completed by participants before the negotiation have consistently found that both Turbo and United feel highly *(*un)allied to Stockman, and anticipate joining Stockman in an alliance *(excluding Stockman from their alliance*) before the negotiation begins.

The remainder of the experiment was identical to the procedures in Study 3.

Manipulation check

Participants rated the extent to which they wanted to form an alliance with each of the other participants (e.g., "To what extent do you want to form an alliance with Stockman"). Second, participants rated the extent to which they felt that each of their partners wanted to form an alliance with them. We then calculated an index of illusions of alliance employing the methodology of Study 3.

The manipulation successfully increased illusions of alliance for high-power participants in the high illusion of alliance condition. High-power participants in the high illusions of alliance condition (M = .60, SD = .56) held higher illusions of alliance than those in the low illusions of alliance condition (M = −.64, SD = .80), t (29) = −5.00, p < .001. Illusions of alliance for participants in the high power, high illusions of alliance condition were significantly different from 0, indicating a tendency to overestimate their alliances, t (15) = 4.26, p < .001.

We also wanted to rule out the possibility that the illusions of alliance manipulation might simply influence participants' sense of power. Using a pilot sample, 50 participants were randomly assigned to one of the two illusions of alliance conditions, and rated two items: 'I have a lot of power in this negotiation,' and 'I will be dominant in this negotiation,' on scale from 1 ('Strongly disagree') to 7 ('Strongly Agree'). The two items were significantly correlated, r (48) = .769, p < .001, and were therefore combined to form an overall measure of self-perceived power. Participants in the high illusions of alliance condition did not report feeling more powerful (M = 5.04, SD = 1.15) than participants in the low illusions of alliance condition (M = 4.86, SD = 1.45), t(48) = −.497, *n.s.* Therefore, the illusions of alliance measure did not simply affect the sense of power.

Resources obtained

To assess the extent to which illusions of alliance contributed to the resources obtained by high-power participants, we examined the number of points that participants received in the final agreement. The number of points that a participant achieved in the final agreement reflects the total share of the available resources that they obtained.

Exclusion from alliances

We also examined the frequency with which the two low power participants (Turbo and United) formed a two-party alliance that excluded the high-power role (Stockman).

Eventual strength of alliances

The mediator, the eventual strength of alliances, was again collected after participants completed the exercise. As in Study 3, participants rated how strongly allied they felt to their partners on two items, ('I feel allied to this person.' and 'I feel loyal to this person.'). These items were correlated, r (29) = .68, p < .001, and were combined into one measure of eventual strength of alliances.

Results and discussion

Did high power participants with illusions of alliance obtain fewer resources?

High-power participants in the high illusions of alliance condition received a smaller share of the agreement (M = 126,896, SD = 117,954) than high-power participants in the low illusions of alliance condition (M = 205,222, SD = 70,455), t (29) = 2.23, p = .034. Consistent with Study 3, this suggests that illusions of alliance decreased the share of resources that high-power actors obtained.

To test whether a decrease in the strength of eventual alliances mediated the effect of high-power actors' illusions of alliance on the loss of power, we again employed bootstrapping analyses (Preacher & Hayes, 2008). The test of mediation was performed with the experimental condition dummy-coded (high illusions of alliance = 1, low illusions of alliance = 0). As noted above, high-power actors in the high illusions of alliance condition obtained a smaller share of the agreement than low-power actors in the low illusions of alliance condition (B = −39163.19, t = −2.22, p = .034). Moreover, illusions of alliance predicted weaker alliances by the end of the task, (B = −.45, t = −2.07, p = .044). Thus the first two criteria for mediation were met. The effect of the strength of alliances on resources obtained was also significant (B = 35495.87, t = 2.39, p = .024). Finally, the effect of illusions of alliance on resources obtained was non-significant after controlling for peer-rated strength of alliances (B = −23282.49, t = −1.32, *n.s.*), as shown in Fig. 2. A

bootstrapping analysis (n = 5000 estimates) indicated that this reduction was significant (Boot = −16514.54, *SE* = 10379.07, 95% *CI*: −39776.38 to −552.58). These results suggest high-power actors in the high illusions of alliance condition obtained fewer resources because they had weaker alliances by the end of the task.

Were high power participants with illusions of alliance excluded from alliances?

Due to the frequency of cell counts, we employed a Fisher's exact test to measure whether the frequency of exclusions from the alliance for the high-power actor differed between conditions. Results from this analysis indicate that, as hypothesized, the high-power participant was excluded more frequently in the high illusion of alliance (37.5%) than the low illusion of alliance condition (6.7%) condition ($p = .05$, Fisher's exact test). We also sought to examine the mediating role of peer-ratings of strength of the alliance on exclusion rates. As in study 3, the indirect effect in our mediation analysis was non-significant. Again, a possible reason for this effect is the reduced power of the statistical test due to the dichotomous nature of the exclusion outcome (Cohen et al., 2003).

Summary

This study found again that powerholders who held illusions of alliance obtained fewer resources and were excluded more frequently from alliances than powerholders who did not hold illusions of alliance. The effect of illusions of alliance on resources obtained was again mediated by weaker alliances by the end of the task. Our results from Study 4 supported the findings from Study 3, and allowed for causal inference by manipulating illusions of alliance. Powerholders were less effective at forming alliances with low power actors to the extent that they overestimated their alliances with others.

Study 5

Study 5 sought to extend beyond the previous studies in a few ways. Studies 3 and 4 demonstrated that illusions of alliance contributed to a loss of power in short-term laboratory settings. In Study 5, we sought to investigate the effects of overestimating the strength of one's alliances in longer-term, more "real world" settings. Specifically, we investigated the effects of illusions of alliance in longer-term work groups that worked together over many weeks, had extensive interaction in multiple contexts, and who were interdependent, such that their success and rewards depended on the team's total contribution.

Studies 3 and 4 also focused on resource attainment and exclusion from alliances as proxies for the loss of power. While these indirect measures of the loss of power are supported by theory and research in the power literature, Study 5 nonetheless aimed to more directly examine the impact of illusions of alliance on ultimate outcomes. Specifically, we examined the extent to which illusions of alliance affected individuals' eventual rank in a group's hierarchy.

Study 5 also sought to replicate the mediation results in Studies 3 and 4 – that is, the role of the strength of alliances as a mediator of the effect of illusions of alliance. We expected that illusions of alliance would lead to a drop in rank in the group's hierarchy as a function of the decrease in the strength of alliances that powerholders had with others. And finally, we examined whether holding illusions of alliance was more damaging to those with high power than to those with low power, as we had found in Study 3.

Method

Participants

Participants were 111 undergraduate business students (58 women, 51 men, and 2 who did not report sex) enrolled in an introductory organizational behavior course at a West Coast university. Fifty-one percent were Asian-, 32% Caucasian, 5% Hispanic/Latino, 3% Middle Eastern, and 9% who reported "other" or did not report ethnicity.

Procedure

The data for Study 5 were collected as part of a semester-long group project. At the beginning of the semester, students were randomly assigned to project teams of 4–5 people (23 groups total, $M = 4.78$). Groups analyzed a real-world organization using the course content. The group project grade accounted for 30% of the students' final course grades.

At two points in the semester students were asked to make peer-ratings within their group. The first round of peer-ratings (Time 1) was made approximately 2 weeks after the groups were formed, and the second round of peer-ratings (Time 2) was made at the end of the semester, after students completed their group project, but before final grades were distributed. As in the previous studies, we implemented the social relations model analyses of round-robin (i.e., peer) ratings using the software program SOREMO (Kenny, 1994).

Illusions of alliance

Participants rated the extent to which they felt allied to each of their teammates. They also rated the extent to which they felt that each of their teammates felt allied to them. We measured illusions of alliance using the scores derived from the Social Relations Model (Kenny, 1994) and using the regression technique described in Studies 1 and 2 ($M = .00$, $SD = 1.11$).

Rank in the group

A long tradition of research has examined the hierarchies that emerge within small work groups, which involve rank-order

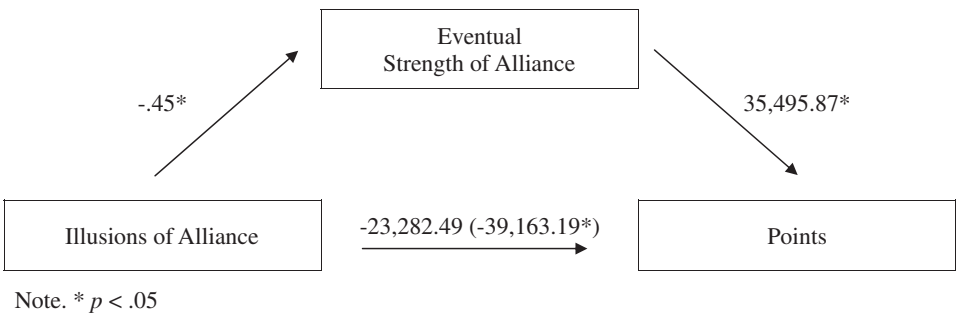

Fig. 2. Mediation analysis for eventual strength of alliances in Study 4.

differences in influence, leadership, and status (Anderson, Srivastava, Beer, Spataro, & Chatman, 2006; Bales, Strodtbeck, Mills, & Roseborough, 1951; Berger, Cohen, & Zelditch, 1972). While variables like influence, leadership, and status are conceptually distinct (Magee & Galinsky, 2008), in small work groups they correlate so highly with each other that they are functionally isomorphic (e.g., Bales et al., 1951). Group members who have higher status also have more influence and engage in more leadership behavior. Moreover, differences in group members' power at the top and at the bottom of the power-prestige order can be vast. Previous research suggests that in many cases, group members at the top almost unilaterally control the group's decisions, allocation of resources, work process, and ultimately, its outcomes (Anderson & Brown, 2010).

Therefore, we asked participants to rank each of their teammates (where 1 was the highest rank, and 4 or 5, depending on team size, was the lowest rank) on two dimensions that would be most intuitive to them: "Who you think led the group (the degree to which they make decisions, coordinate group activities, and motivate the group)" and "How much status (i.e., respect and admiration from other group members) you think they have". The two items were strongly correlated (r (109) = .848, $p < .001$) and were combined into one index. We use the term "rank" in reference to this index, to encompass all dimensions of the hierarchy, which included power, leadership, and status. Participants ranked their teammates at two points during the semester, once within 2 weeks of the group's formation, and once at the end of the term. Using the variance partitioning analysis provided by the SRM and calculations outlined by Bonito and Kenny (2010), we found significant peer agreement in these judgments at the beginning of the term (alpha = .78), and at the end of the term (alpha = .79), indicating there was sufficient peer consensus as to who was high and who was low in rank within the team.

Eventual strength of alliances

The mediator, the eventual strength of alliances, was collected at Time 2. Participants rated how strongly allied they felt to their partners ('I feel allied to this person'). We used the target scores from the SOREMO measure of this item.

Results and discussion

Did higher rank predict illusions of alliance?

Peer-rated rank in the group at the beginning of the term correlated with illusions of alliance, r (109) = .164, p = .042. This suggests individuals at the top of the hierarchy had higher illusions of alliance than those members at the bottom, a finding consistent with Studies 1 through 4.

Did illusions of alliance contribute to a drop in rank?

Next, we wanted to examine whether high-ranking participants dropped in rank as a function of their illusions of alliance. To do so, we used a moderated multiple regression analysis (Cohen et al., 2003), a well-established method that would allow us to examine the impact of illusions of alliance specifically on those with power. Moreover, it would allow us to examine whether, as found in Study 3, the impact of illusions of alliance was stronger on those with high power than it was on those with low power.

Using this analysis, we first examined the simple slopes (Aiken & West, 1991) at one standard deviation above and below the mean on rank. This revealed that those higher in rank at Time 1 had lower rank at Time 2 to the extent that they had illusions of alliance (B = .20, SE = .09, p = .036). Therefore, just as in Studies 3 and 4, wherein individuals in powerful positions who held illusions of alliance obtained fewer resources, here, individuals with higher rank who held illusions of alliance dropped in rank.

Once again, however, we found that those lower in rank at Time 1 did not drop in rank at Time 2 when they held illusions of alliance. A simple slopes analysis found that among low-ranking individuals, illusions of alliance did not predict any drop rank at Time 2 (B = −.11, SE = .11, *n.s.*). In fact, the overall moderation analysis found a significant interaction between rank and illusions of alliance at Time 1 (B = −.15, SE = .07, p = .030). Therefore, the impact of illusions of alliance depended on power, such that illusions of alliance were more damaging to those with power than those without power.

Mediation analyses

To test whether decreases in the strength of one's alliances was responsible for the drop in rank among high-ranking actors with illusions of alliance, we conducted a moderated mediation analysis (Aiken & West, 1991; Preacher, Rucker, & Hayes, 2007). As noted above, the interaction of rank at Time 1 and illusions of alliance on rank at Time 2 was significant (B = −.15, SE = .07, p = .03). Moreover, the interaction of rank at Time 1 and illusions of alliance (rated at Time 1) on the proposed mediator, strength of alliances, was significant (B = .09, SE = .04, p = .02). Thus, the first two criteria for mediation were met. The effect of the proposed mediator, strength of alliances at Time 2, on rank at Time 2 was also significant (B = −.82, SE = .15, $p < .001$). Finally, the interaction of rank at Time 1 and illusions of alliance was non-significant after controlling for strength of alliances at Time 2, (B = −.08, SE = .06, *n.s.*).

An analysis of conditional indirect effects revealed that the mediation was not present among those with high in rank (+1 *SD*) (z = 1.63, 95% *CI*: −.0082 to .1721), nor among those with low rank (−1 *SD*) (z = −1.56, 95% *CI*: −.2130 to .0186) (Preacher et al., 2007). However, an analysis of conditional indirect effects revealed that the mediation was present among those with particularly high rank at two standard deviations above the mean (+2 *SD*) (z = 1.99, 95% *CI*: .0188 to .3231), but not among those with particularly low rank (−2 *SD*) (z = −1.88, 95% *CI*: −.3713 to −.0019) (Preacher et al., 2007). These results indicate that strength of alliances at Time 2 mediated the effects of rank at Time 1 and Illusions of Alliance on peer-rated rank at Time 2, but only for particularly high-ranking individuals, such that high-ranking individuals dropped in rank to the extent that they held illusions of alliance, as a function of the decrease in the strength of alliances that their group members reported having with them.

Summary

In longer-term groups of interdependent members who worked together over the course of a semester, individuals who initially ranked high in the group's hierarchy lost rank to the extent that they held illusions of alliance. Results from the mediation analysis revealed that this effect was due to the weakening of the strength of the alliances of high-ranking actors who held illusions of alliance.

General discussion

The primary aim of the current research was to examine how powerholders can sometimes lose their power, despite all of the advantages that power affords. We focused specifically on the role of *illusions of alliance*, testing two specific hypotheses. First, we hypothesized that powerful individuals would be particularly likely to overestimate the strength of their alliances with others. Second, we hypothesized that when powerful individuals held such illusions, their alliances would weaken over time, thereby contributing to their personal downfall and loss of power.

The five studies we conducted provided robust support for our hypotheses: Across all five studies, powerful individuals were consistently more likely to believe that others were more allied and loyal to them than those individuals actually were. This result emerged whether illusions of alliance were measured as they naturally occurred or were created through experimental manipulation. Moreover, the latter three studies found that powerful individuals who held illusions of alliance were more likely to lose their power – those individuals lost resources, were more excluded from alliances, and ultimately dropped in rank in their work group's hierarchy. Finally, we found that holding illusions of alliance was particularly harmful to those with power, whereas those same illusions were relatively inconsequential for those with low power. Taken together, the findings suggest that illusions of alliance are more common *and* more damaging to those individuals at the top of hierarchies.

Implications

One important implication of these findings is that powerholders who make biased assessments of their alliances in organizations face significant consequences. Given the importance of alliances in organizational settings, failing to effectively monitor one's social environment poses considerable liabilities for powerholders. To maintain power, powerholders must closely monitor their alliances, form accurate perceptions of their alliances, and actively engage in strategic behaviors aimed at fortifying the strength of their relations with others. The findings outlined above, however, suggest that powerholders often fail to accurately assess the strength of their relations with others, subsequently weakening the strength of their alliances.

While the results reported here addressed the impact of illusions of alliance across a broad conceptualization of power, these effects may be particularly prominent for organizational leaders such as CEOs and other top executives. Research on top management teams (Ocasio, 2002; Shen & Cannella, 2002) suggests that coalitional behavior, such as forming alliances and engaging in political insurgencies, is particularly prevalent in the upper echelons of organizations. Moreover, and somewhat paradoxically, research has shown that the more power a CEO has, the more executives beneath the CEO engage in coalitional behavior (Eisenhardt & Bourgeois, 1988). Indeed, as demonstrated in the introduction, a number of high profile cases of CEO failure, in which illusions of alliance appear to have played a role, have recently received extensive press attention. Taken together, this suggests that illusions of alliance may be a particularly insidious problem for CEOs and other top organizational actors.

Limitations

Although the study designs and methods had many strengths, of course there were a number of limitations. One limitation of the current work is the settings in which the data were collected. Studies 3 and 4 involved students interacting in a short-term laboratory task in which they formed alliances. Although the stakes were potentially high in that a substantial prize was offered as an incentive for participants to become engaged in the task, these interactions may not fully reflect the political and social dynamics of organizational actors who interact over longer periods of time in organizational settings. Nevertheless, Study 5 attempted to overcome this limitation to a degree by using work groups that contained individuals who interacted over a longer period of time with interdependent outcomes at stake (their grade).

Additionally, although Studies 3 and 4 contained a manipulation of power in which one actor was more powerful than the other, situations in which power differences between low and high power actors are extreme may mitigate the effect of illusions of alliance. Powerholders who have extremely high levels of power over subordinates may face fewer consequences to their biased perceptions, given the inability or unwillingness of low power subordinates to form revolutionary coalitions that exclude powerholders. However, as many coups d'etat have shown, presidents, and even despotic dictators, often face unexpected and successful revolts from coalitions of followers (Luttwak, 1979). Nevertheless, future research should examine the boundary conditions of the impact of illusions of alliance on power loss.

Future directions

The current findings highlight the need to better understand the psychological processes that underlie power loss and suggest a number of avenues for future research. First, future research should identify the antecedents of illusions of alliance. How exactly does power bias the perceptions individuals have of their alliances? One possibility is that powerholders' perceptions of their alliances may be distorted by the *biased feedback* they receive from others. The anecdotal "yes man" provides overly positive feedback to their superiors as a form of ingratiation. Consistent with this intuition, research has shown that individuals in low power positions tend to smile more at high power individuals than do those in high power (Dovidio, Brown, Heltman, & Ellyson, 1988; Henley & Harmon, 1985) and individuals flatter and show more deference toward high-status individuals (Hecht & LaFrance, 1998; Keltner et al., 1998). Both the biased perceptions that result from being in positions of power, and the reluctance of low power actors to provide accurate feedback to high power counterparts, may combine to impede the ability of powerholders to accurately assess their alliances.

Second, future research should more deeply examine the mechanisms that underlie why powerholders with illusions of alliance lose power. While we found that peer-rated strength of alliances mediated the extent to which powerholders who held illusions of alliance obtained fewer resources and were perceived as lower in rank in the group's hierarchy, we did not measure the specific behaviors that high-power actors engaged in that led to a weakening of the strength of their alliances. Future research should address specific behaviors that account for this effect.

Conclusion

While much research has examined the acquisition of power, considerably less work has investigated how power is lost. This work addresses one critical way in which powerholders may lose power. Consistent with the central role that the alliances play in organizations, we found that powerholders lose alliances, and consequently power, to the extent that they overestimate their alliances with others. Overall, this deleterious effect of power might explain, in part, why power is often said to lead to its own demise.

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