

Organization as a political system assignment

Sociology



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In the Strategic Design perspective, the roots of any conflicts lie in different analyses of robbers and opportunities; more data and better analysis can resolve any disagreements, through a shared rationality that is universal. In the Political perspective, the roots of conflict lie in different and competing interests, and disagreements require political action, including negotiation, coalitionist's, and the exercise of power and influence, all recognizing that rationality is local. The Strategic Design perspective asks, " What is the problem?

What solution is best suited to the strategic environment and the capabilities of the organization? " The Political respective asks, " Who's defining the problem and what gives them the power to define it? Who's advocating what solution, and why? How can I get an outcome that serves the interests of me and my group? " The political aspects of organization are simultaneously the focus of much of the attention (and even more of the gossip) of those working in and leading organizations, and the least accepted. When people say, " That was a political decision," they are usually implying that it was a bad decision made on the wrong criteria.

If decisions are to be effective, however, they must be political, good decisions as well as bad. They must have the buy-in of those who have the power to implement or to block action. Power and interests, coalition-building and negotiation, conflict and conflict resolution – these are essential aspects of organizational life. If the formal design of the organization is the equivalent of the skeleton of the organization, the political system is the musculature. It is essential to action. This module provides an overview of

the basic concepts of the Political lens, and provides some tools for using these effectively.

The Hidden Power of Social Networks: Understanding how work really gets done in organizations. Boston, MA: Harvard Business School Press. A very readable overview of the social networks literature, with an emphasis on managerial applicability. Canter, Rosetta, 1977. Men and Women of the Corporation. New York: Basic Books. A classic study of power dynamics in U. S. Corporations, whose insights are still widely cited and applied today. Sets De Varies, Manfred F. R. , 1993. Leaders, Fools, and Imposter: Essays on the Psychology of Leadership. San Francisco: Jossey-Bass.

A psychological analysis of the dynamics of the use and abuse of power by top executives, by a leading European researcher. Mayer, Anthony J, Norris, Nit, and Singleton, Laura G. Paths to Power: How Insiders and Outsiders Shaped American Business Leadership. Boston, MA: Harvard Business School Press. An analysis of contemporary American business leaders, using both statistical data analysis to compare today's leaders with those of previous generations and some extremely interesting case studies. Emerson, Deborah E. 2001. Tempered Radicals: How People Use Difference to Inspire Change at Work.

Boston, MA: Harvard Business School Press. A study of political activism in organizations, building on the tradition of social movement analysis. Merrill, Calvin, 1995. The Executive Way: Conflict Management in Corporations. Chicago: University of Chicago Press. A fascinating study of conflict among highlighted executives and how it is handled, based on intensive observation

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of 13 U. S. Companies. 2 Prefer, Jeffrey, 1992. *Managing with Power: Politics and Influence in Organizations*. Boston, MA: Harvard Business School Press. A thorough and extremely readable analysis of power and its sources and use in organizations.

Prefer, Jeffrey, 2010. *The Paths to Power*. Hairless Canada. A forthcoming book by one of the leading scholars of power in organizations.

Porter, Lyman W. Harold L. Angle, and Robert E. Allen, eds. 2003.

Organizational Influence Processes (2nd edition). Armonk, NY: M. E. Sharpe. A useful compendium of writings on power and influence in organizations, organized by the direction of influence (downward, lateral, and upward).

Stewart, James B. 2005. *Disney War*, New York: Simon & Schuster, 2005. A vividly written chronicle of the power struggles within the Disney Corporation during the tenure of Michael Eisner as CEO.

Seem, Michael, 2001. *Leading Up: How to Lead your Boss so You Both Win*.

New York: Three Rivers Press. An interesting guide to exerting influence upward in the organization, built on detailed historical and contemporary case studies. 3 The Organization as a Political System Organizations are strategic designs to accomplish shared goals – but they are not only strategic designs. Organizations are also political systems. When we think of and interest groups. The key elements of power and politics, however, are interests, conflict, competition, coalition-building, and negotiation.

These are not unique to political parties or to governments, but are essential elements of all organizations, even of the smallest and most egalitarian. For many people, including many successful and powerful executives, politics

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constitutes the dark side of the organization, an aspect created by the selfishness and dishonesty of others. “Playing politics” is something other people do. An inability or an unwillingness to deal with the political aspects of organization, however, is a serious handicap for anyone trying to take effective action in an organizational setting.

Jeffrey Pfeffer, who is one of the most widely-recognized contributors to the analysis of power and politics in organizations, has observed: “I have seen, all too often, otherwise intelligent and successful managers have robbers because they did not recognize the political nature of the situation, or because they were blindsided by someone whose position and strength they had not anticipated.” (Pfeffer, 1992: 30). Pfeffer’s reference to “position and strength” is another way of saying “interests and power.” These are the core concepts of a political perspective on organizations.

Interests refer to what people want – what’s at stake for them in a decision or course of action. Depending on how an action affects their interests, people will support or oppose it, and as Pfeffer points out, managers often run into trouble because they fail to recognize what’s at stake for other units or for other individuals in their proposed course of action. The effectiveness of the support or opposition of others depends on the amount and nature of the power held by those units or individuals. Understanding how to leverage interests and power is an essential base for taking effective action in organizations.

INTERESTS In the political perspective, organizational behavior is grounded in interests. The political lens shares with economics the fundamental

assumption that people act rationally to serve their own interests. Where the two approaches differ is in their analysis of “interests”. The classic economic model of homo 4 economics (“economic man”) is an individual acting in his own personal interests, which, however numerous and varied they may be, are reducible to a common economic currency that allows that individual to compare the relative value or “utility” of meeting each interest.

The political lens acknowledges the importance of individual interests, but it broadens their scope beyond what can be calculated in terms of some dollar or net present value amount to include a variety of interests (such as autonomy and status) that are difficult to reduce to economic terms. It also devotes equal or even greater attention to collective interests. Collective interests are those shared by others who belong to the same group or category, and center on the welfare and maintenance of the group. The most obvious collective interests are those defined by the organization design.

Seen through the political lens, the boundaries between the “boxes” or units in the formal design define not only responsibilities and roles but also the borders of interest groups that compete with each other for resources and for the attention and approval of top provides an example of the power of collective interests: When DCE was small these political battles [over setting priorities] were among individuals fighting for their individual points of view in a climate of rational debate and problem solving reminiscent of academia.

With growth and success, those same managers now ‘owned’ organizational units with many employees for whom they felt increasingly responsible. To give in to an argument now meant letting your organization down.” (Scheme

2002: 1 57) This example also illustrates how strongly individual interests come to be identified with collective interests. Groups defined by the formal structure are, however, only one of an array of possible elective interest groups within an organization.

Demographic groups – those defined by population variables such as age, gender, ethnicity, or marital status – also share collective interests that can affect certain kinds of organizational action. For example, many U. S. Companies today are facing challenges from older employees who are fighting their companies' efforts to improve the bottom line by switching from traditional “ defined benefit” plans (where the employee gets a set amount per month after retirement, based on salary) to “ defined contributions” plans.

These Lana center on individual retirement accounts, to which both the employee and company contribute, and which younger workers value because they can be portable across employers. Older workers, however, found that in switching to the new plans in the middle 5 of their careers they would receive much lower post-retirement incomes and benefits than they had been expecting.

Other potential bases for collective interests include: ; Position in the division of labor (such as full-time or part-time employees; salaried or hourly workers; blue collar or white collar or managerial employees); Location (country in the case of multinational corporations, or site in the case of domestic companies); ; Profession/occupational category (engineers, accountants, Managers, skilled workers, etc.). An increasingly common approach to

understanding collective interests is the stakeholder perspective. The term “stakeholders” identifies groups that have a shared “stake” (i.e., a set of collective interests) that is affected by what the organization is and how it does it. Each stakeholder group not only has common interests but shares an awareness of those interests and a willingness to act to further them. The stakeholder perspective identifies both internal stakeholders (those within the organization) and external stakeholders (including suppliers, customers, communities, and shareholders). Internal stakeholders vary considerably both in the extent to which they themselves are organized and in the kind of ties they construct with external stakeholder groups.

In many manufacturing companies, for example, blue collar workers belong to unions. In Britain, these are organized by craft, so that one company will contain members of a number of different unions. In the United States, the dominant form of union is the industrial union, which incorporates employees in the industry (Japan, most unions are company unions (Toyota and Honda each have their own union, instead of a single industrial union or multiple craft unions that cut across company boundaries)).

These different patterns of organization strongly affect the interests of different categories of workers and the alignment – or lack of it – between the interests of management and union. Other examples of organized stakeholder groups include the well-known Black Caucus in Xerox, which emerged to provide advice and mentoring for African-American employees (mostly in the managerial ranks), and technical “communities of practice” (which have as a primary purpose the sharing of knowledge and “best practice” but which also give a voice to the needs and interests of their

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members). Simply recognizing that interests are important is the first step in developing an ability to use the political lens to take more effective action in organizations. The next step is much harder: analyzing what those interests are and what priority they have for key individual and collective actors.

Interests are both complex and dynamic. People have multiple interests at the individual level. They have, for example, both short-term goals and long-term ambitions. They want both autonomy and cooperative relations with others.

They want to have a reputation for dedication to their work, and to meet personal quality of life aspirations. They are also members of multiple stakeholder groups which have different and sometimes competing interests. One person can simultaneously be a member of a particular division of the company, a particular occupational group, a particular demographic group (such as single parents), a particular site or facility that is competing with other sites in the company for new activities, and the community in which that site is located. To complicate the analysis further, collectivities also have multiple interests.

To give just one example, a business division in a diversified corporation may be struggling to try simultaneously to reduce costs and increase the rapidity of its response to a changing marketplace. Sharing support services with other divisions may be a way to reduce costs. On the other hand, the difficulties of moving to a new shared services structure and the potential loss of control over access to those services may undermine the division's ability to respond rapidly to current market changes. It will also reduce the control of the division's executives over the service activities.

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There is rarely a clear, desegregated base for making a choice, especially since it is much easier to assign a dollar value to cost savings than to loss of control even though both may have an equal effect on competitive position in the marketplace. The decision process in such a case is heavily “political”: that is, it depends on how the key decision-makers see and assign weight to their interests. Furthermore, interests at both the individual and collective levels are dynamic: that is, they change in content and in relative importance over time and as context changes.

For example, as a younger single employee I may not see my interests as being strongly affected by a company’s efforts to change its benefits plans, including medical coverage. However, if I develop a chronic health problem, the company’s benefits plan may suddenly illustrate another factor in the complexity and dynamism of interests. Interests may be latent: that is, I may not realize that I have a certain stakeholder interest until it is evoked by certain circumstances – or by someone trying to mobilize my support for a certain course of

Individuals and groups will support, be indifferent to, or try to block organizational actions based on how those actions affect their interests. To carry an action forward, its initiator needs to understand what interests will be affected by it. In deciding how to proceed, however, one further element of a political analysis is needed: how much power those individuals and groups have to affect the course of the action. POWER Power has always been a difficult concept to define in the context of organizations, although most people, if asked to identify the most powerful units or individuals in their organization, have no difficulty answering.

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Puffer's definition of organizational power will serve as a useful base for our discussion: " the potential ability to influence behavior, to change the course of events, to overcome resistance, and to get people to do things that they would not otherwise do. " (Prefer 1992: 30) A recent issue of Fortune magazine that focused on power used an abbreviated version of this same definition: " Our definition of power was straightforward: the ability to affect the behavior of other people. " (Fortune August 11, 2003: p. 58) From this perspective, getting things done in organizations requires power.

Its use is inevitable, and the more you have, the more you can accomplish. Many people in today's organizations are uncomfortable talking about power, particularly their own. They often prefer to talk about influence, especially when their own power is at issue, or about authority when their boss's power is the topic, and about power only when they are talking about coercion or domination. These three variants of power – influence, authority, and coercion – are well recognized in research on power and organizations.

Authority is a classic concept in the study of organizational power, and refers to power that is defined as legitimate by those who are subject to it.

Authority in organizations is most commonly associated with formal positions in the organizational hierarchy: the head of a division has authority over those who work in that division. One of the common political strategies for dealing with conflict in organizations is to " push it up" – that is, to ask someone higher in the organization with formal authority over the contending parties to resolve the issue.

Influence connotes informality, and is often used in interactions where someone does not have formal authority but develops the ability to induce or persuade others to act in ways they would not act in the absence of that influence. Coercion (often called domination) has been defined as “ the control of the behavior of one individual by another who can offer or restrict benefit or inflict punishment” (Powell and Smith-Doer 1993: 376). Coercion is rarely seen as otherwise would not, it breeds resentment and a desire to get even. All three - authority, influence, and coercion - are aspects of power.

Power is fundamentally based in control over or access to valued resources, and has a number of sources, including personal characteristics, expertise, track record, formal hierarchical position, and informal network position. The following discussion explains each in greater detail. Personal Characteristics Research on personal characteristics and the effective use of power has often been linked to the concept of “ charisma”. Max Weber, one of the pioneers of sociology and of the study of power, drew the concept from the field of religion.

Charisma means “ the gift of grace” and Weber used it for the kind of power that derives from a deep emotional connection between leader and followers based on the distinctive personal qualities of the charismatic leader and on the distress or tension experienced by the followers, which the leader promises to alleviate (Egret and Mills 1958: 52). Although this concept has become increasingly generalized, Weber saw the personalized and emotional nature of charisma, which transcends rules and routines, as potentially disruptive in established organizational settings.

Moreover, charisma is, for Weber, inherently unstable, both because it requires constant proof of the unique gifts and vision of the leader and because it is difficult to transfer from one context to another or from one leader to another (Weber 1958: 52-3).¹ In contemporary business, a visionary founder of an entrepreneurial firm would potentially embody both the strengths and weaknesses of Hibernia charismatic authority. Personal characteristics do, however, play a role as a source of power in established formal organizations.

Jeffrey Pfeffer, for example, has provided a list of personal characteristics that provide a base for effective political action in organizations: ; Energy and physical stamina; Pfeffer's key writings were produced in Germany during the first quarter of the 20th century, but were not well-known to English-speaking social scientists until after World War II, when translations made them widely available. They were extremely influential in the emerging field of organization theory. Focus (the ability to set priorities and concentrate on the most important things); Sensitivity to others and an ability to understand how they see their interests; Flexibility (based on concentrating on ultimate objectives and adjusting to what is Ability to tolerate conflict; Submerging one's ego and getting along. Pfeffer is the first to admit that the role of each trait in building power has not been heftically tested; the list is based on his extensive work on power in organizations.

The first two features, energy and focus, are common in portrayals of powerful executives in the business press, and their role is easy to understand. The third – sensitivity to the interests of others – does not, as Pfeffer quickly points out, mean acting in the interests of others: “ sensitivity
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simply means understanding who they are, their position on the issues, and how best to communicate with and influence them” (Prefer 1992; 172). As Prefer points out, sensitivity to other’s interests is not worth much if one is not prepared to adjust one’s behavior to use that understanding (“flexibility”).

Because conflict is unavoidable in organizations, a willingness to engage in conflict to further one’s individual and collective interests is a source of power, particularly if others are conflict-avoiding. Finally, Prefer argues that because interdependence is an unavoidable feature of action in organizations, a willingness to put one’s ego aside in order to listen and expand one’s information and understanding, build alliances, share credit, and get buy-in from others is an essential personal quality in today’s organizational settings.

Scarce and Valued Expertise The mastery of a skill or body of knowledge that is both valued by the organization and relatively scarce can be a significant source of power. A particularly gifted innovator in an R&D organization, a software engineer with exceptional ability at diagnosing problems, a skilled mediator in an organization facing politically crippling labor problems – these individuals can become significantly more powerful than their less skilled counterparts. They also become central in the task and advice networks that are part of organizational networks of power and influence (discussed below).

At the organizational levels, groups or subunits with scarce and valuable expertise can gain significant power in the organization. Michel Crosier’s

classic study of power in organizations included a much-cited case study of a 10 manufacturing firm where one of the most powerful groups was the maintenance engineering department. The factory was highly capital-intensive, which meant that if the complex machinery broke down, the performance of the factory suffered until it came back on line.

The maintenance engineers had a monopoly of the expertise required for diagnosing and fixing the machinery, and therefore the factory manager deferred to their demands and interests much more attentively than to those of any other unit or sub-group in the plant (Cozier 1964). In U. S.

Corporations, the finance department steadily gained influence as the firm diversified, because financial analysis and access to financial markets came to be crucially important elements of the control systems and strategies of multi-business firms (Flint 1987).

Past performance/Track Record A third source of power for both individuals and subunits is past performance or "track record". Individuals who have a history of successful achievement in their organization are often identified as "high fliers" - people who are likely to rise higher in the organization. Others are therefore usually more eager to cooperate with them, in expectation of future valuable good relationships.

People are also more likely to be eager to interact with them, and therefore they are often better able to expand their access to information, which is one of the most important organizational resources. In addition, they are usually able to elicit a higher level of effort and commitment from those who work for them. As Rosetta Canter has pointed out: "When employees perceive

their manager as influential upward and outward, their status is enhanced by association and they generally have high morale and feel less critical or resistant to their boss. " (Canter 1979).

Similar patterns hold at the level of subunits. A division or department that has a record of outstanding past performance - the most consistently profitable division, for example, or the plant with the highest quality rating - usually has more power in the organization than similar units without such strong performance records. Successful divisions can often claim Geiger levels of resources, and they attract skilled and ambitious employees. Sociologists have dubbed the concept that success is a source of power that breeds further success " the Matthew effect", based on the verse in the Gospel according to SST.

Matthew: " Unto every one that hath shall be given, and he shall have abundance: but from him that hath not shall be taken away even that which he hath. " (Matthew 25: 29). 11 Formal Position as a Source of Power From the political perspective, the organization chart is more than a design that specifies reporting responsibilities; it is also a rudimentary political map of the organization - rudimentary because, although it is a good guide to the vertical power system of the organization, it is not an accurate guide to the horizontal system.

In other words, equivalence of position on the formal organization chart is not a good indicator of relative power. The executive vicissitudes of a company may occupy equivalent positions on the organization chart, but they usually differ significantly in their power relative to each other, both

because of the factors described above and because of the network position factors described in the following section. The organization chart does, however, provide a good guide to the vertical power system.

Those who occupy positions at the top of subunits have formal power over those below them in that unit, based on their control over several processes: ; resource allocation (for example, whether someone gets a new computer or an enhanced travel budget); ; information flows (subordinates have the formal obligation to share information with the person to whom they report); ; evaluation of the employee's performance, which affects both current rewards and future Job possibilities; ; task assignment (I. E. O gets the interesting and high-profile tasks, and who gets stuck with the unrewarding or unpleasant tasks); ; conflict resolution (disputes between subordinates are usually decided by the certain kinds of conflicts, such as those that involve discrimination or unfair process). One of the paradoxes of power based on position in the organizational hierarchy, however, is that excessive reliance on the control processes listed above can undermine that power. The classic definition of authority is power that is accepted as legitimate by those who are subject to it and therefore is not resisted.

When a boss encounters resistance from subordinates, heavy reliance on sanctions can transform authority into coercion. Coercion is rarely accepted as legitimate, either by those subject to it or by those who are merely observing it. When people talk in negative terms about power in their organizations, they are often thinking about the coercive use of formally conferred power to control behavior (for example, the boss who tells a

subordinate, “ Unless you stop objecting and work on this project, I’ll see to it that you never get another promotion in this company’).

Coercion often backfires, because it breeds resentment and a desire to get even somehow; the compliance that results is seldom wholehearted, and often conceals covert resistance and even sabotage. Formal position in the organizational hierarchy is also a factor in subunit power. Generally speaking, the closer a subunit is to the head of the organization, the greater its power. A subunit that reports directly to the CEO, for example, usually has higher status than one that reports to the manager of another unit that reports to the CEO.

This explains why, when a new subunit is created, one of the most contentious issues is where it should report. The arguments are usually framed in Strategic Design terms, but the underlying dynamic is one of power and influence. A new subunit for Corporate Social Responsibility, for example, will try to report directly to the CEO rather than to the Corporate Counsel or to an Executive Vice-President for Corporate Resources.

Informal Network Position as a Source of Power Both company gossip and social research have long recognized that “ know-who” is as important as “ know-how’ in any organization. In today’s flat, interdependent organizations, the kind of influence that comes from social networks is often much more significant than the authority that derives from formal hierarchical position. In the popular view, the size of your network – the number of names in your PDA – and the number of powerful people in it are the key factors in the extent to which your social network is a source of power.

One of the oldest strategies for gaining power is to do favors for others, thereby building up an extensive network of obligations that can be redeemed later to serve your own interests or the interests of another person in order to expand your obligation network. This “ Godfather” strategy sets on the premise that doing something for others, as a giver rather than a taker, builds a sense of obligation, even if at the time there is no explicit expectation of an immediate return.

At some time in the future, the tacit expectation is that some day, in some way, the favor will be reciprocated. The growing body of research on social networks in organizations has demonstrated, however, that although the size of your network is indeed important, your position in the network is even more important. The key concept that researchers have used to identify powerful individual positions in a 13