

# ORGANISATIONAL POLITICS – A PREREQUISITE PERSPECTIVE FOR GENERAL MANAGEMENT



Prof. I.C. MacMillan  
School of Business Leadership  
University of South Africa

*Die skrywer se doel met hierdie artikel is om (a) 'n politieke model van organisatoriese gedrag te ontwikkel en (b) aan te toon wat die implikasies van so 'n politieke model is vir die ontwikkeling van sakebestuurders se vaardigheid in algemene bestuur. Hy ontleed aanvanklik die politieke handeling van die individuele deelnemer aan die organisasie, waarop 'n ontleding van die politieke optrede van interne sowel as eksterne groepe volg. Die struktuur van politieke optrede in 'n organisasie word dan in verband gebring met die beleidvormingsproses. Hieruit spruit voort 'n politieke model van organisatoriese handeling wat gedrag in organisasies sien as synde gevorm deur die eise van interne en eksterne invloedryke en magsgroepe wie se ondersteuning behou moet word indien die organisasie wil voortbestaan. So 'n model vermy die begrip van 'n alwetende, "rasionele" besluitnemer aan die hoof van 'n organisasie; dit vereis eerder dat die algemene bestuurder moet erken dat sy rol dié is van 'n leier van 'n politieke organisasie. Indien so 'n model geldig is, het dit uiteraard verreikende implikasies vir die opleiding van bestuurders, nl. die ontwikkeling van 'n politieke perspektief, 'n analitiese vermoë, 'n herkenning van die politieke effek van beperkte hulpbronne, vaardigheid in die gebruik van die tegnieke van veralgemening van en opeenvolgende aandag aan beleidsbesluite, vaardigheid om politieke vooroordeel of partydigheid te herken, en 'n vermoë om die implikasies van besluite te kan deurdink.*

## 1. INTRODUCTION

Few managers in practice, and few academics who have read the recent literature (Cyert & March (1), Thimpson (2)) on behaviour in large, complex organisations, can continue to accept that there is some kind of rational profit-maximising or cost-minimising credo which can be used to provide complete and adequate guidelines for general management decision-making in those organisations.

However, a difficulty arises with the more recent behavioural theory of organisational behaviour propounded by the above-mentioned writers. While it very logically argues that a purely rational profit-maximising or cost-minimising credo is not possible, the theory is largely descriptive and does not provide alternative prescriptive guidelines for general management decision-making.

It is one of the major functions of any teaching institution involved in the training of general managers to provide these guidelines for decision-making. It is the apparent discrepancy between what is currently prescriptively taught, and what is currently observed in practice, as far as general management decisions are concerned, that has caused attention to be focused on organisational politics.

This paper therefore constitutes a plea for a political perspective of behaviour in organisations, where politics is conceived in the following sense (derived from an argument by Wagner (3)):

Politics is a social process which takes place when one or more actors in a situation, recognising that their goals will be affected by the behaviour of other actors in the situation, attempt to structure the situation in such a way that their goals are promoted.

The term "actor" has deliberately been used, since it can be taken to mean an individual, a group, a whole organisation or even a nation.

If this definition is acceptable then there is no doubt that much of the activity which takes place in organisations is political, because situations which satisfy the above conception of politics arise at three levels:

- (a) between individuals in the organisation. The goals of one individual will never coincide exactly with the goals of another, and if they are to operate in the same organisation they will each attempt to structure the situation to promote their individual goals;
- (b) between subsystems in the organisation, such as groups, sections, departments and divisions;
- (c) between the organisation and its surrounding environment.

Therefore there appears to be some value in viewing the organisation from a political perspective.

Therefore the first part of this paper will develop, in broad outline, a political model of organisation behaviour. This outline will be used to provide

prescriptive guidelines in the training of general management decision-making.

The political model of the organisation will be started by looking at individual political behaviour.

## 2. STRUCTURE OF POLITICAL ACTION IN AN ORGANISATION

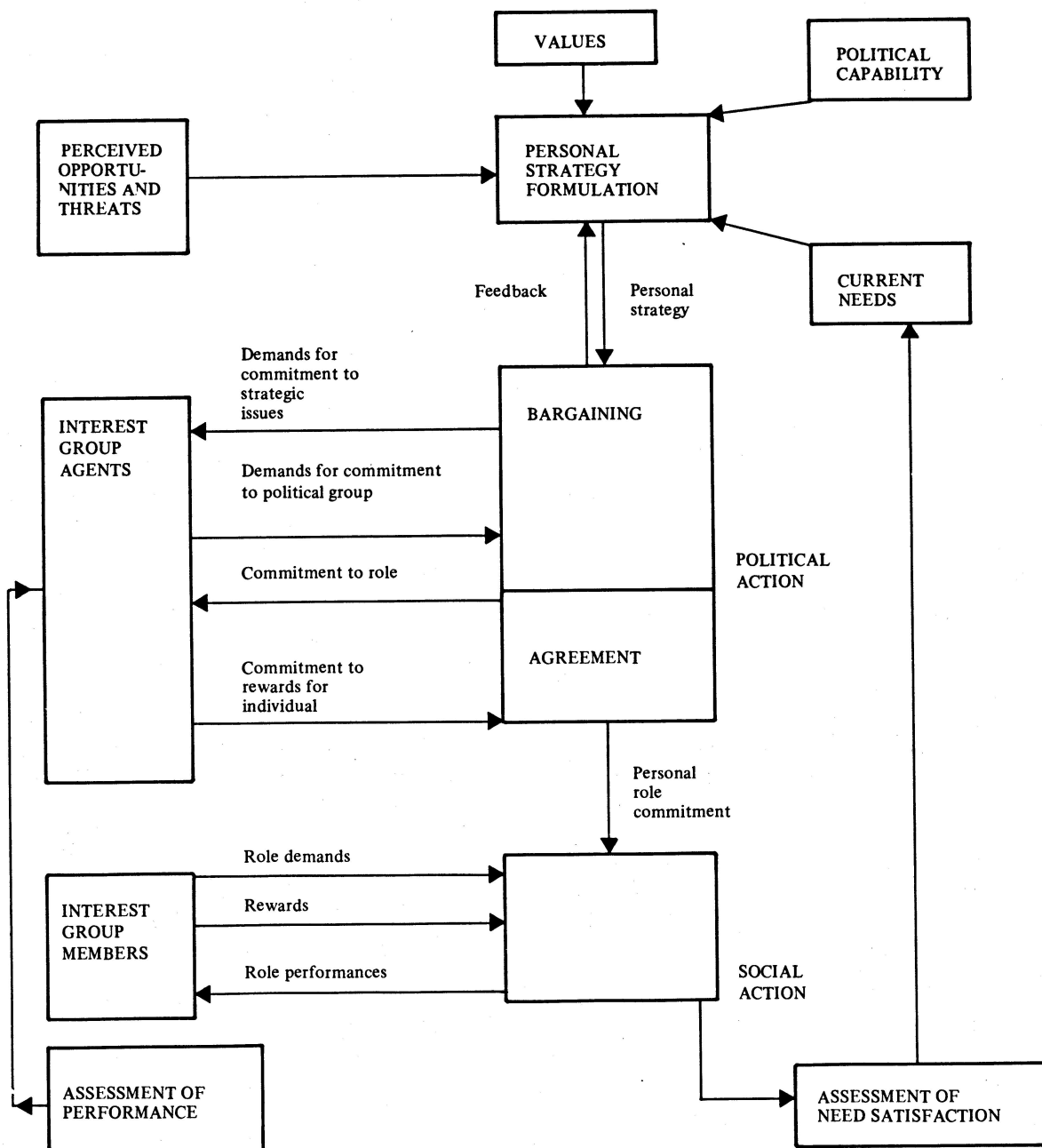
### 2.1. Political Action of the Individual Participant

The organisation can be viewed as a system in which individuals or groups or organisations participate because, via their *contributions* for participation, they will receive *inducements* necessary for the attainment of their goals (4 & 5). If this system is to survive it *must* obtain the participants' contributions,

which place the organisation and the participant in mutually dependent situations with respect to one another, and it is around these dependencies that political action in the organisation takes place.

A participant may be viewed as *any* person, group or organisation that contributes to the organisation; for instance an employee, a customer, a supplier or financier contributes to the organisation in exchange for inducement. An inducement-contribution "contract" must be reached between the organisation and its participants. The inducements obtained from the organisation are used by participants to further their own goals, so each participant should strive to manipulate the organisation so the inducements he receives are, in the participant's eyes,

FIGURE 1 THE POLITICAL NATURE OF INDIVIDUAL ACTION



- (a) at least equitable with the contribution he makes,
- (b) at least as much as the inducements he would receive elsewhere.

Consider now an individual person.

If the individual decides to participate in the organisation his actions can be envisaged as following the type of hierarchical structure shown in Figure 1.

The individual has a set of values and a certain measure of power and influence in the organisation — his political capabilities. He has a set of current needs, and a set of values which constrain his behaviour. He surveys the organisation, estimates the trends in the organisation and may perceive certain opportunities and threats. The extent to which he can perceive opportunities and threats, and the extent of his power and influence will determine the extent of his political action. A person who does not or cannot perceive threats and opportunities tends to operate in a far less political way than one who does. A person who has very little power and influence is not able to exploit the opportunities or avert the threats that he perceives.

On the basis of perceived opportunities and threats he evolves a personal political "strategy" which aims at obtaining long-term assurance that his needs will be satisfied, subject to current need satisfactions. This "strategy" may be ill-defined or clearly defined depending on the nature of the individual.

On the basis of the personal strategy that he evolves he undertakes political action in the organisation. Of the infinite number of decisions that the organisation can make regarding its future, only a few contribute substantially to attainment of the individual's personal goals. The individual therefore prefers the organisation to commit itself to decisions that suit his own goals and will attempt to obtain such commitment. Since an individual's political capability is generally limited, he must seek other members of the organisation who would also like to see the organisation take the direction he desires, and he forms coalitions with them. Because no two people have exactly the same goals a number of *interest groups* form in the organisation, each interest group supporting certain stands on issues and seeking to ensure that the organisation commits itself to these stands.

The individual therefore seeks out the agents representing the interest groups that support stands on issues relevant to his goals and commences bargaining with these agents. (Note that the management of the organisation is one of the political interest groups and the individual's superior is this group's agent. However, this is not the *only* interest group or political agent in the organisation.) In the course of this bargaining he utilises his power and influence to ensure the best bargaining terms for himself, demanding that the group commits *itself to stands which, if successful*, will ensure the satisfaction of the individual's needs and the achievement of his goals. In return for committing the group the agents demand that the individual commit himself to support the group. As this bargaining progresses the

results of the bargaining process will feed back and modify the individual's personal strategy. Eventually an agreement will be reached with any of a number of agents, the terms of agreement consisting of a commitment on the part of the individual to perform a certain role for the group in exchange for a commitment by the group to provide certain rewards for the individual, and seek policy decisions supporting certain stands on issues which are important to the individual.

Going down to the next level of action in Figure 1, it can be seen that the results of the *political* action determine the individual's role in his *social* action involving the various groups to which he is affiliated. The agents will, in terms of the agreement, impose on the individual certain role demands which will actuate his role performance. In the process of his performance he interacts with the interest group members and receives rewards. His performance is assessed by the interest group members and fed back to the agents for control purposes. The rewards the individual obtains, and the policy decisions made are assessed by him and fed back to his current need structure which then modifies his personal strategy.

Hence while an individual participates in the organisation he can act politically in three ways:

- (a) He can act as his own agent, to increase his power and influence in the organisation and in his interest groups.
- (b) He can act as the agent of his interest groups to increase the power and influence of his own interest groups provided this does not detract from his own.
- (c) He can act as a political agent of the organisation, to increase the power and influence of the organisation as a whole to ensure its survival and success.

Having discussed the nature of individual political action in the organisation it is now possible to turn our attention to interest group action.

## 2.2. Political action by interest groups

It was pointed out above that the individual participants in the organisation bargain with agents of the interest groups. These political agents can be viewed as fiduciaries (6) who represent the interest group.

The fiduciary's role is to use the resources placed at his disposal by group members to manipulate or accommodate with other group fiduciaries on issues in which his interest group members have an interest and to compete with fiduciaries of groups with opposing interests. In this respect a manager has a formal fiduciary role — he must act in the interest of his subordinates or lose their active support. (Naturally he must also act in the interest of management which can give rise to a number of conflicts). In the process of competing or co-operating the fiduciary forms "super-coalitions" with other fiduciaries, pooling resources with them and, on the basis of his power and influence in his super coalition he may determine how the rewards

achieved by these super-coalitions will be allocated to the original coalitions. The fiduciaries will demand policy commitments on the issues in which the underlying groups are interested.

The fiduciary will choose to bargain with only those fiduciaries whose policy demands are not mutually exclusive to his; he will compete with the others. According to the results of his bargaining he will surrender the power and influence of his coalition to the super-coalition in exchange for policy commitments from the super-coalition. Super-coalitions bargain or compete with other super-coalitions, thus forming even larger coalitions in which fewer and fewer fiduciaries interact, each one representing the interests of larger and larger numbers of coalitions and their underlying beneficiaries.

Eventually the whole system of individuals is characterised by a hierarchy of coalitions culminating in a few major coalitions, many of whose interests are directly opposed. These major coalitions, at the top of the organisation, consist of top management interest groups led by a leader. At this level of the hierarchy such a leader has to comply with certain special requirements, the most important being an ability to accept a complex mass of policy demands and to generate a suitable set of compromising policy decisions that will satisfy his underlying coalitions, and also prove operationally adequate to the problem of ensuring survival or growth of the whole organisation.

Since the leaders of the major coalitions cannot hope to satisfy all the policy demands simultaneously, they must evolve a set of generalised policy commitments that aim to satisfy the majority of the participants in the organisation. These commitments are stated as policy decisions which are phrased in general terms so that it is in fact possible for some of the policy commitments to be inconsistent with others. However, by a process of paying sequential attention to commitments (7) the major coalition is maintained without the inconsistency in policies being obvious. In time an organisation such as a business firm will perhaps pay attention to the demands of the marketing coalition, then the production, then the shareholders and so on.

The set of generalised policies that the major coalition evolves over time become internalised (that is, become part of their value system) by the leaders of the coalition and their supporters. This gives rise to an ideology – a fairly general feeling in the organisation of “the way we operate in this organisation”.

Ideology serves as a standard by which the leaders of the major coalitions in the organisation justify their future policy decisions on specific issues, and also provides a set of standards by which fiduciaries determine whether their interest groups’ demands will be satisfied if they join such a major coalition.

The conflicting demands of the members of each major coalition are therefore satisfied by making policy commitments in terms of the ideology of the major coalition and by paying sequential attention to these commitments.

However, the leaders of the various major coalitions must also somehow deal with the conflict of their interests.

The leaders of the major coalitions will eventually, by a process of accommodation, evolve a set of rules by which acceptable political behaviour is defined. This differs from organisation to organisation.

The political success of the leaders will determine the extent to which they can obtain policy commitments from the organisation as a whole. As long as it holds the superior position, the most successful major coalition’s ideology will be allowed to dominate policy formulation.

On the basis of the above discussion it is possible to develop a model of the organisation as a political system. However, before doing so, it is convenient to distinguish between internal and external interest groups.

### 2.3. Internal and external interest groups

It was mentioned above that a participant in the organisation is any person, group or organisation that contributes to it. Some participants, such as suppliers and customers, are traditionally considered to be “outside” the organisation whereas others, such as employees, are considered to be “inside” it. With a political approach it is better to define participants in terms of the degree to which they participate politically in the organisation.

This degree of political participation is determined by the extent to which the participant has invested his political capability (i.e. power and influence) in the firm and achieves his/its goals through participation in the organisation. A participant who has invested most of his/its strategic resources, commitments and alternatives in the organisation tends to be vitally interested in the direction which the organisation takes and to act politically to ensure that the desired direction is taken. He/it can therefore be construed as being an “internal” interest group – primarily employees, but also such cases as suppliers who have very few other clients or customers who also have few other suppliers.

External interest groups, on the other hand, have not invested a great deal of their personal political capabilities in the organisation and are satisfied to obtain an adequate return on their “investment” without being too concerned with the political action in the organisation itself.

The distinction between internal and external interest groups plays an important part in policy formulation in the organisation; this will now be discussed.

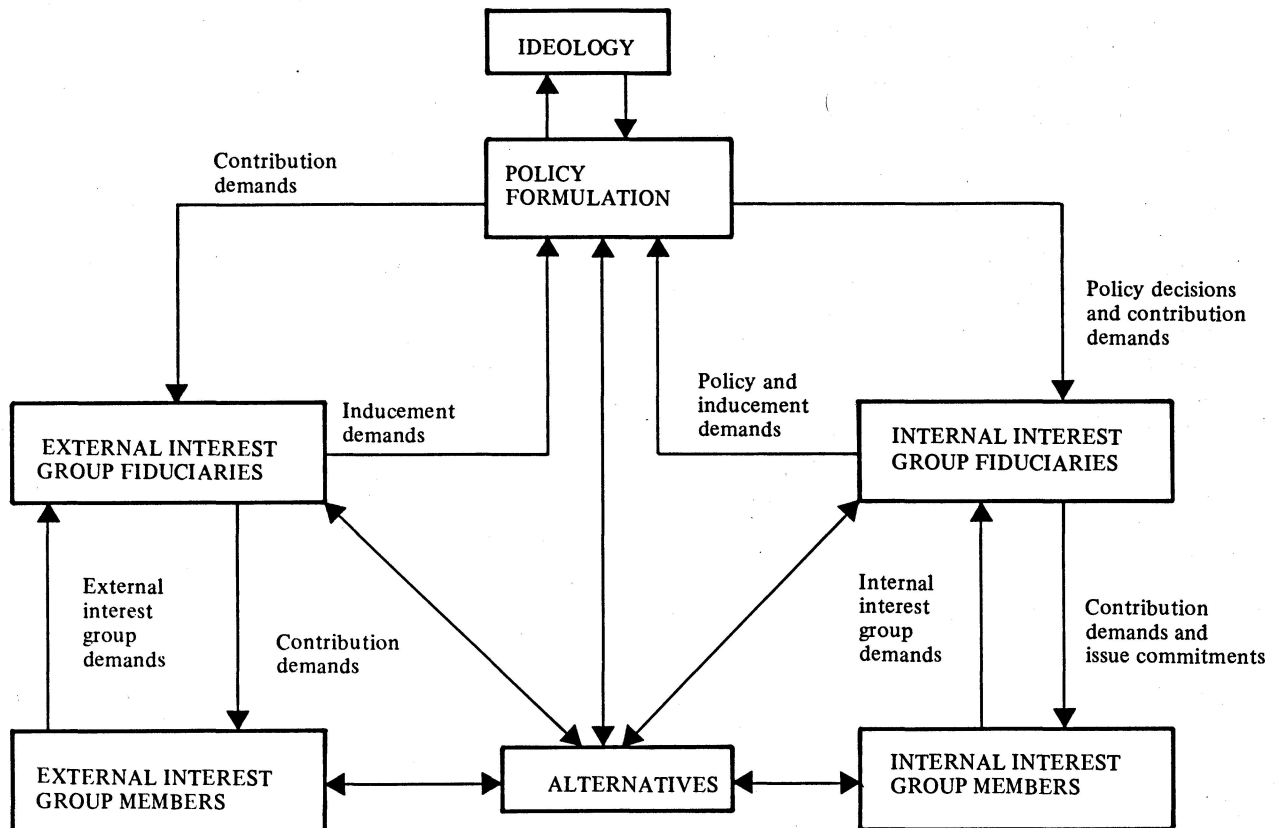
### 2.4. Policy formulation in the organisation

Both external and internal interest groups in the organisation impose demands that must somehow be converted into policy decisions.

The process of policy formation may be seen in terms of Figure 2. (This has been simplified pending the discussion of policy execution in section 2.5.)



FIGURE 2 POLICY FORMULATION PROCESS



Starting at the bottom left-hand side of Figure 2, the external fiduciaries transmit inducement demands to the leaders of the organisation who are responsible for policy formulation.

Simultaneously internal interest groups impose demands on internal fiduciaries who transmit these to the leaders of the organisation as both policy demands *and* inducement demands.

The leaders of the organisation receive these two sets of demands and, on the basis of the alternatives available to them and the ideology used as a standard for policy decisions, begin carrying out political action towards the external and internal fiduciaries to determine the terms on which these inducement demands are to be met. The leaders should manipulate the situation to ensure that the terms of exchange favour the organisation as far as possible. They can then start to bargain with the external fiduciaries by countering their inducement demands with contribution demands, and also bargain with the internal fiduciaries by countering their policy and inducement demands with policy commitments and contribution demands. The contribution demands and policy commitments are considered by the relevant fiduciaries in terms of alternatives available to them, and then transmitted to the respective interest groups. The interest groups will then decide whether they will continue to participate. The *fundamental* attitude of the policy makers is that irrefusable demands, particularly of external fiduciaries, should be treated as constraints on the organisation's activities. Within these constraints the

actual action which will be undertaken will be determined by the most powerful interest groups. Instead of maximising profits, for instance, a business can declare satisfactory profits (8) and use the remaining "profits" to increase growth rate or market share or research and development.

The multi-level bargaining process continues until agreement is reached and the various internal and external interest groups decide to participate in the organisation or to abandon it. (Note that this bargaining process is actually continuous: there is never a stage when some demand is not being made on the organisation.)

Once terms have been agreed on, support in the form of contributions is given. At this stage policy execution must take place.

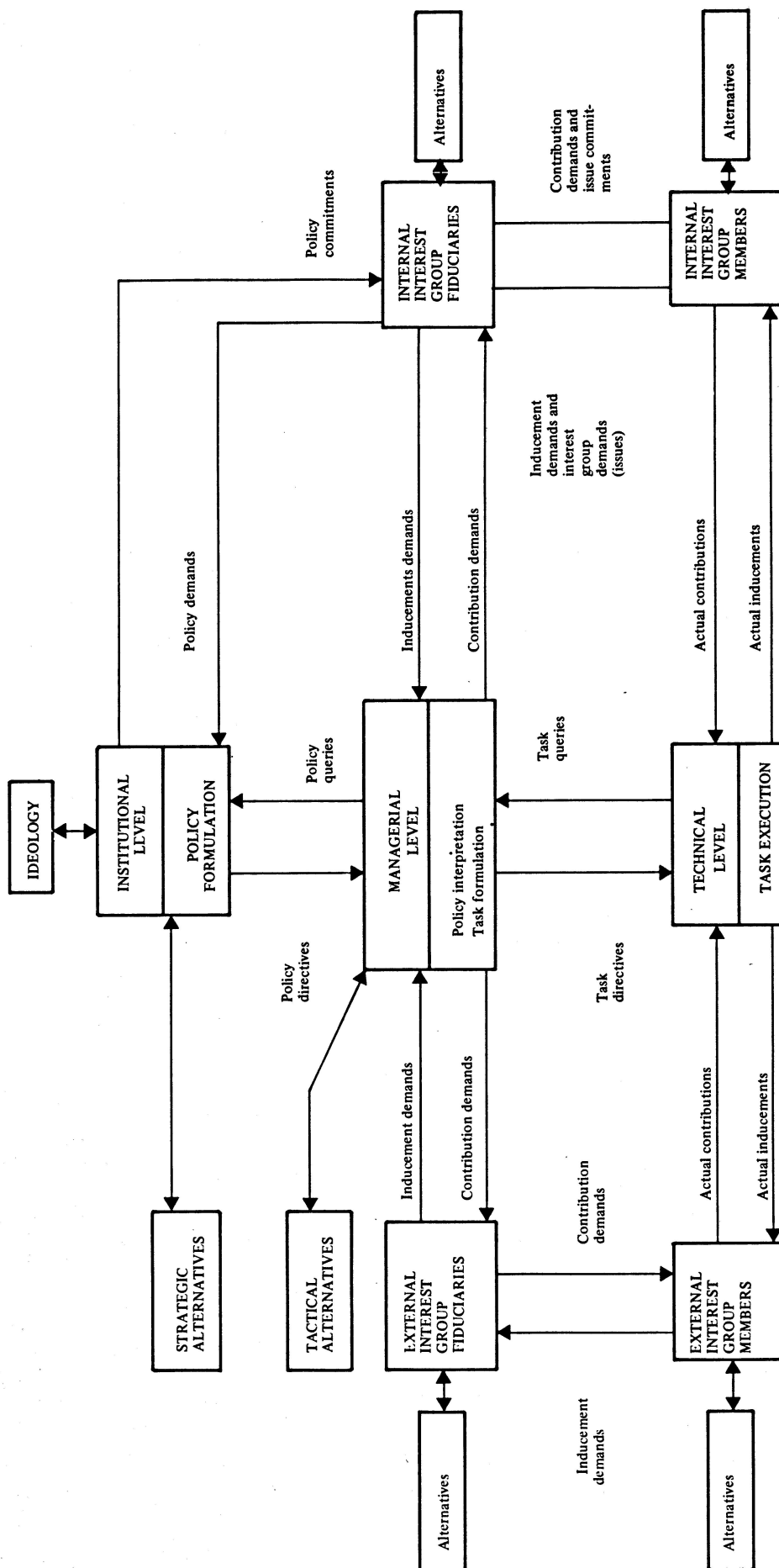
## 2.5. Policy interpretation and execution process

Once the policy decisions, flowing from policy formulation, have been accepted by the interest groups, their contributions are made to the organisation.

The organisation must continually transform these contributions to inducements that are used to "buy" more contributions. This transformation of contribution inputs into inducement outputs must, however, be guided, monitored and controlled to ensure that the transformation and transactions take place in terms of formulated policy.

According to Parsons (9) policy decisions are generated at the institutional level, whereas the actual

## FIGURE 4



So the major training demand in this context is a creation of an attitude in the prospective general manager, in that he must recognise the complexity and difficulty of his *political* role as leader of his organisation.

### **3.2. The need for analytical ability**

The second major requirement which general management training must satisfy is to inculcate in the student an ability to analyse the politics of the situation in which he finds himself.

Firstly he must be made aware of the fact that organisational decisions follow the political pattern described in the model above, but more important he must be able to analyse this pattern for his own organisation.

The trainee general manager needs to be shown how to go about identifying major interest groups, how to determine the power and influence of these groups and how to develop countervailing power and influence to oppose any threatening groups.

However, an ability to analyse the current situation is not enough. The general manager must be able to predict major shifts in the political processes of his organisation. If he is to manage his organisation he must be able to manage its politics. He must recognise that it is pointless for him to try to stop the politics, for without politics the organisation cannot operate. Therefore he must find ways of channelling political activity in directions which suit the organisation rather than disrupt it, and the only way he can manage politics is by predicting behaviour before it occurs and structuring his situation so that what behaviour does occur is synergistic with his conception of the organisation's future.

Therefore what is required for general management training is a methodology which enables the manager to carry out the political analysis of his organisation and a prediction of future contingencies which will arise. This must be followed up with prescriptive guidelines for channelling activity in directions which the general manager deems fit for the organisation. Such a methodology and set of prescriptive guidelines is being developed.

### **3.3. Need for recognition of the political effects of limited resources**

A major problem confronting organisations is that they have limited resources. No organisation has sufficient resources to satisfy all the demands of its participants.

The general manager must realise this for it has important implications as far as resource allocation is concerned.

In direct contradiction with the starry-eyed idealist who claims that organisations should all be striving to make every participant happy and contented in his relation with the organisation, the pragmatic facts of organisational life are that there are just not enough resources to accomplish this — *some* participants *must* lose out.

The general manager must be trained to recognise this, for it is his task to decide which participants *must* be satisfied and hence which participants will have to lose out as a result of satisfying the ones whose support is most necessary. This will be to a large extent determined by the power and influence of the various participants. As mentioned above, he must also be able to decide what changes in the status quo will be necessary for the future well-being of the organisation and formulate a strategy for retaining a balance between those groups whose power and influence are expected to increase in the future and those groups whose power and influence dominate at present.

### **3.4. Need for skill in using the techniques of generalisation of, and sequential attention to, policy decisions**

In order to maintain the political balance discussed above the general manager must develop a proficiency in the use of the two major techniques available for catering to conflicting demands — that is to say the technique of formulating generalised policy decisions and paying sequential attention to commitments.

Most chief executives tend to do this, often unconsciously, but training in the use of these techniques makes the matter explicit and hence they can be used more effectively. It is necessary for the aspirant general manager to be trained in these techniques so that, together with the political analytical skills he develops, he learns to recognise where and what generalisation is required, and what sequence of attention must be paid to commitments.

### **3.5. Need for skill in recognising political bias**

The general manager needs to recognise that information flowing to him is often biased. Interest groups will strive to filter information to suit their own purposes and to present information that is biased in their favour. The general manager needs to recognise that such bias is a spontaneous political phenomenon — his subordinates have a duty to fight for their own departments. If they do not do so they will lose the support of *their* subordinates. Hence they will present biased information to the chief executive and he must be in a position to make compensating adjustments in his information, must be alert to recognise inconsistencies in behaviour of individuals, groups and departments below him and determine the political reasons for these inconsistencies.

It is not suggested that he condemn or encourage such behaviour, but that he be trained to expect it and even predict it. Only then will he be in a position to manage it.

### **3.6. Need for skill in thinking through the implications of decisions**

The general manager can never be completely candid with his organisation — if he does this he may lose support which is currently important but destined to decline in importance.

Members of the organisation are aware of this and they will therefore attempt to interpret the decisions which the general manager makes in terms of *their* own perceptions of the situation, filling in "gaps" with their own guesswork. This means that every decision which the general manager makes could be imputed with far more significance than he actually intended. Furthermore, every decision which he makes creates a precedent and members of the organisation will tend to act as if it were a precedent.

It is therefore extremely important for the aspirant general manager to be made aware of the importance of even minor decisions from the point of view of subordinates and he requires exposure to and training in the self-discipline of thinking through the political implications of his decisions.

This concludes the set of what are considered to be the most important implications of the political perspective for the training of general managers. The paper will therefore be concluded with a brief discussion of the implication of this theory for University Business Schools.

#### 4. CONCLUSION – IMPLICATION FOR BUSINESS SCHOOLS

If the political model proposed in this paper has any validity it would appear that the current business policy curricula of many Business Schools are in need of review.

There is a tendency for these Business Schools to adopt a hands off approach to the problem of organisational politics – to concentrate on giving prescriptive guidelines which are based solely on a concept of economic rationality in the organisation. While such an approach is completely acceptable in a macro-economic sense, it has little value for the general manager faced with the actual job of running an actual organisation.

Graduates from these Schools will therefore tend to come into the business world with a naïve attitude, totally lacking the political perspective. In effect they then have to go through a painful trial and error apprenticeship in which they learn the real facts of organisational life. Even those that successfully complete this apprenticeship, are inclined to tackle organisational political problems on the basis of intuition and past experience. They have never had

the opportunity of explicitly and analytically studying the political phenomena, nor are they given systematic training in developing the skills necessary for handling organisational politics,

#### IN CONCLUSION

It is time that research effort be deployed to investigating political phenomena in organisations.

It is time that Business Schools give attention to these phenomena in curriculum construction.

It is time that the gap between theory and practical, pragmatic business leadership be closed by the development of training methodologies which develop skills in managing politics of organisations.

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