

## CORPORATE CULTURE

The Cultural Web, developed by Gerry Johnson and Kevan Scholes in 1992, provides one such approach for looking at and changing your organization's culture. Using it, you can expose cultural assumptions and practices, and set to work aligning organizational elements with one another, and with your strategy.

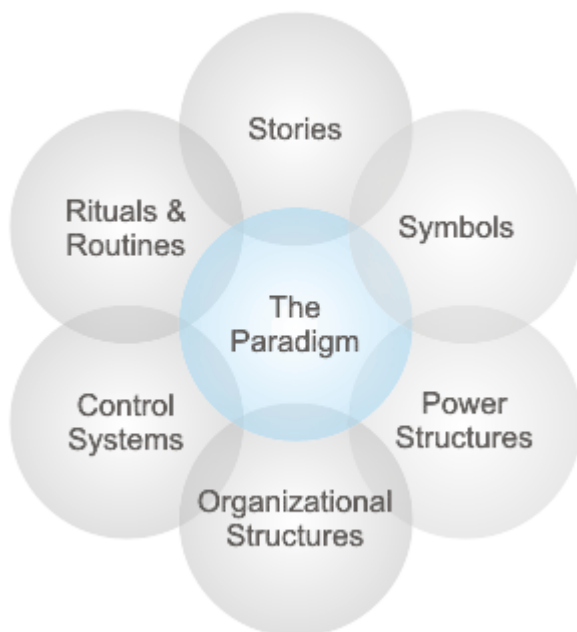
### Elements of the Cultural Web

The Cultural Web identifies six interrelated elements that help to make up what Johnson and Scholes call the "paradigm" – the pattern or model – of the work environment. By analyzing the factors in each, you can begin to see the bigger picture of your culture: what is working, what isn't working, and what needs to be changed. The six elements are:

1. **Stories** – The past events and people talked about inside and outside the company. Who and what the company chooses to immortalize says a great deal about what it values, and perceives as great behavior.
2. **Rituals and Routines** – The daily behavior and actions of people that signal acceptable behavior. This determines what is expected to happen in given situations, and what is valued by management.
3. **Symbols** – The visual representations of the company including logos, how plush the offices are, and the formal or informal dress codes.
4. **Organizational Structure** – This includes both the structure defined by the organization chart, and the unwritten lines of power and influence that indicate whose contributions are most valued.
5. **Control Systems** – The ways that the organization is controlled. These include financial systems, quality systems, and rewards (including the way they are measured and distributed within the organization.)
6. **Power Structures** – The pockets of real power in the company. This may involve one or two key senior executives, a whole group of executives, or even a department. The key is that these people have the greatest amount of influence on decisions, operations, and strategic direction.

These elements are represented graphically as six semi-overlapping circles, which together influence the cultural paradigm.

Figure 1: The Cultural Web



We use the Cultural Web firstly to look at organizational culture as it is now, secondly to look at how we want the culture to be, and thirdly to identify the differences between the two. These differences are the changes we need to make to achieve the high-performance culture that we want.

## INTRODUCTION

An organization is a social system and it contains dynamic elements like power and politics that influence behavior of people. Both the terms are often emotional and sometimes felt negative. Since they are part of social life they should be managed properly to get positive outcomes. Leadership balances power and politics. Managers as leaders have to examine the source of power and its effective use. At the same time they should also explore the political behavior in organizations. They have to then balance power and politics, to effectively steer an organization towards its goals.

## CONCEPT AND SOURCES OF POWER

The term power may be applied to individuals, groups, teams, departments, organizations, and countries. Power influences may affect resource allocations, space assignments, goals, hiring decisions, and many other outcomes and behaviors in an organization. It is defined as follows.

*Power is the capacity to influence the behavior of others.*

There are different sources of power. They are broadly divided into (i) interpersonal sources and (ii) structural sources.

### (a) Interpersonal sources of power

**Reward power** is individual's ability to influence others' behaviors by rewarding their desirable behaviors. Compliance with requests and directives depends on *rewards* and the *value of rewards* to the recipients. Therefore, a superior can get desirable behaviors only when the rewards he has offered are valuable to the subordinates.

**Coercive power** is an individual's ability to influence others' behaviors by punishing their undesirable behaviors. For example, subordinates may comply because they expect to be punished for failure to respond favorably to managerial directives. Punishment may take the form of reprimands, undesirable work assignments, closer supervision, tighter enforcement of work rules, suspension without pay, and the like. The organization's ultimate punishment is to fire the employee.

**Legitimate Power** most often refers to a manager's ability to influence subordinates' behaviours because of the manager's formal position in the organization. Subordinates may respond to such influence because they acknowledge the manager's legitimate right to prescribe certain behaviors.

**Expert power** is an individual's ability to influence others' behaviors because of recognized competencies, talents, or specialized knowledge. To the extent that managers can demonstrate competence in implementing, analyzing, evaluating, and controlling the tasks of subordinates, they will acquire expert power.

**Referent Power** is an individual's ability to influence others' behaviors as a result of being respected, admired, or liked. For example, subordinates' identification with a manager often forms the basis for referent power. This identification may include the desire of subordinates to emulate the manager. A young manager may copy the leadership style of an older, admired, and more experienced manager. The older manager thus has some ability-some referent power-to influence the behavior of the younger manager.

### (ii) Structural sources of power

Structural sources of power are related to the division of labor and position in different teams and departments work assignments, locations and roles. The positions in hierarchy naturally result in a variety of situations in which there is unequal access to information, resources, and decision making.. Any of the situational factors could be a source of power in an organization, which include *knowledge, resources, decision-making and networks*.

i) **Knowledge power** – This power is from knowledge-information and know-how that exists in an organization. Those in a position to control information about current operations, develop information about alternatives, or acquire knowledge about future events and plans have enormous power to influence the behaviors of others.

*Personal computers and computerized workstations are having a dramatic impact on the access to and use of information-and thus on power relationships-in many organizations.*

ii) **Resources power** – Organizations need a variety of resources, including human resources, money, equipment, materials, supplies, and customers, to survive. The importance of specific resources to a firm's success and the difficulty of obtaining them vary. The old saying that "he who has the gold makes the rules" sums up the idea that resources are power. Those having resources exercise power. Today companies are adopting retention strategies to retain competent employees. Skilled people have power advantage over the less skilled people.

iii) **Decision-making power** – Decisions in organizations often are made sequentially, with individuals, groups, or teams participating. The decision-making process creates additional power differences. Those

who are in the critical positions of decision-making process might influence power. They influence the goals being developed, premises being used in evaluating an issue, alternatives being considered, outcomes being projected, and so on. Consider, purchase process of a firm. If the plant superintendent is the one who has to approve the quotation submitted by the suppliers, the purchase manager has to wait for the decision of Plant superintendent.

iv) **Network power** – Managers and departments that have connecting links with other individuals and departments in the organization will be more powerful than those who don't. The concept of networks as power implies that various affiliations, channels of information, and coalitions, both inside and outside the organization, represent sources of power. These networks can be information links, supply links and support links.

v) **Lower level employee power** – In organizations lower level employees also may wield considerable power. One of the sources can be expert power, which may allow subordinates to influence their managers. For example, an office assistant who can use windows 2007 spread sheet can influence his manager if he is not familiar with the same.

### **Leadership and Use of power**

#### **(i) Use of interpersonal power**

*Power can be used by a variety of people in a variety of ways.*

Source of Leader Influence	Type of Outcome		
	Commitment	Compliance	Resistance
Referent Power	Likely; If request is believed to be important to the leader.	Possible; If request is perceived to be important to the leader.	Possible; If request is Something that is unimportant to the leader.
Expert Power	Likely; If request is persuasive and subordinates share leader's task goals	Possible If request is persuasive.	Possible; If leader is arrogant and insulting or subordinates are apathetic about task and goals.
Legitimate Power	Possible; If request is polite and very appropriate	Likely; If request or order is seen as legitimate.	Possible; If arrogant demands are made or request does not appear proper in the interests of the organisation or individual
Reward	Possible; When reward is used in a subtle, very personal way	Likely; If used in a mechanical, impersonal way	Possible; If used in a manipulative, arrogant way
Coercive Power	Very unlikely	Possible; If used in a helpful way.	Likely; If used in a hostile, nonpunitive way or manipulative way.

#### **(ii) Use of structural power**

These sources don't operate independently. The interpersonal sources of power that influence behavior are complex and interrelated.

Source of Leader Influence	Type of Outcome		
	Commitment	Compliance	Resistance
Knowledge	Likely; If request is persuasive and subordinates share leader's task and goal	Possible If request is logical and appropriate.	Possible; If leader is arrogant and insulting or subordinates are apathetic about task and goals.
Resources	Likely; If request is believed to be important to the leader.	Possible; If request is perceived to be important to the leader.	Possible; If request is Something that is unimportant to the leader.

Decision making	Possible; If request is polite and very appropriate.	Likely; If request or order is seen as legitimate.	Possible; If arrogant demands are made or request does not appear proper in the interests of the organization or individual.
Networks	Possible; When power is used in a subtle way.	Likely; If used in a Way beneficial to organizational interests.	Possible; If used in a manipulative, arrogant way

### (iii) Power tactics of leaders

Power is used with influence tactics in organizations. There are some standardized ways by which power holders attempt to get what they want. There are seven tactical dimensions or strategies

Tactics	Description
Reason	Use of facts and data to make a logical or rational presentation of ideas
Friendliness	Use of flattery, creation of goodwill, acting humble, and being friendly prior to making a request
Coalition	Getting the support of other people in the organization to back up the request
Bargaining	Use of negotiation though the exchange of benefits or favors
Assertiveness	Use of a direct and forceful approach such as demanding compliance with requests, repeating reminders, ordering individuals to do what is asked, and point out that rules require compliance
Higher authority	Gaining the support of higher levels in the organization to back up requests
Sanctions	Use of organizationally derived rewards and punishments such as preventing or promising a salary increase, threatening to give an unsatisfactory performance evaluation, or withholding a promotion.

### (iv) Power Coalitions

The natural way to gain influence is to gain power. Therefore, those who want power will attempt to build a personal power base by forming a coalition. By joining together, managers can combine their resources to increase rewards for themselves. Successful coalitions have been found to contain fluid membership and are able to form swiftly, achieve their target issue, and quickly disappear. Many employees hold power by joining trade unions. If a trade union is unable to get success, almost all the trade unions of the organization join together to fight against management for achieving their demands fulfilled. Participative management is visible in coalitions. The coalition continues till all the members are co-operative and tolerant. If their interests clash, they disintegrate and the benefits of coalitions are not achieved. Dictatorial system does not like coalition. Coalition provides interdependence. It is needed where resources are huge and require to be managed effectively.

#### POLITICS

Politics is the art of acquiring and enhancing power. Employees have a certain role to play. Therefore, their exercise of power is limited to a large extent by the role obligations. Political behavior is of two types.

**Legitimate** - It includes normal every day's politics. It includes:

- Complaining to one's superiors,
- By passing the chain of command,
- Forming coalitions,
- Obstructing organizational policies through excessive adherence to rules and
- Developing contacts outside through professional activities.

**Illegitimate** – It includes influences that are extreme and violate the implied “rules of the game.” Such activities include

- Sabotage,
- Whistle blowing,
- Symbolic protest such as wearing unorthodox dress and

□ Groups of employees cumulatively calling in sick.

It may be stated that the vast majority of political actions are of the legitimate variety. The reasons are pragmatic – the extreme and illegitimate forms of political behavior pose a very real risk of loss of organizational membership, or extreme sanctions against those who use them and then fall short in having enough power to insure that they work.

### **Factors causing political behavior**

Research has indicated a number of factors, which can contribute to political behavior. Some of these factors are individual and derived from the unique qualities of the employees in the organization and others are derived from the organization's internal culture or environment.

#### **a) Individual factors**

A few prominent individual factors are examined here.

i) **Need for power and high expectations of success** – Some managers who are status and ego driven often resort to politics to gain access to power corridors. They use the power for their personal growth and pleasures. Some managers who are in-charge of teams or units, may also engage in politics to safeguard their positions and have more benefits for their units. For effective management to take place, managers must be cautioned against the use of 'Need for Power' for personal means – to dominate others, seek loyalty for own self rather than the organization. It will always be preferable to adopt a 'Need for power for institutional purpose'. This will help in creating a good work climate or culture for effective work and also help to develop subordinate's understanding and loyalty to the organization.

ii) **Machiavellianism** - Machiavellians are people who use deceit and opportunism in interpersonal relations and manipulate others for their own purpose. Such Machiavellists also have a cynical view of the nature of other people and do not care for conventional morality. Obviously, politics of this kind is undesirable in organizations.

iii) **Locus of control** Locus of control is the extent to which people believe that they can control events which affect them. Individuals can either have a high internal locus of control or a high external locus of control. Those individuals with a high internal locus of control hold a belief that events result primarily from their own behavior and are likely to engage in a political behavior in an attempt to influence other people. Those who have external locus of control believe in external forces from other individual managers, other groups or fate, which affect their success.

iv) **Risk seeking propensity** Managers differ in risk taking. Some are risk seekers. Some are risk moderators. There are marked individual differences in their willingness to take risks or in their risk seeking propensity. Some individuals can be described as risk seekers. Negative outcomes like low performance ratings, demotions etc., can be the risks associated with persons who engage in political behavior in organizations. Knowing this and yet engaging oneself in political activities can be called risk seekers. While risk avoiders are those who avoid such due to the possible negative outcomes.

#### **(b) Organizational factors**

Organizational factors also influence the politicking in organizations. These are as follows.

□ *Reallocation of resources* – when organizations downsize the changes many stimulate conflict and politicking to have advantage in allocation.

□ *Advancement or promotion* – people resort to politics for quickly getting advancement or promotion in their careers

□ *Low trust* – A low trust within the organization can increase political behavior, which can become illegitimate also.

□ *Role ambiguity* – When there is confusion in the scope and functions, employees resort to politicking to have a favorable situation.

### **SUMMARY**

Organizational behaviors include power and political dimensions. When strategy implementation is undertaken, managers have to be leaders in the process and exercise influences. Influencing behavior requires power, Power sources are mainly categorized into inter personal and organizational. Interpersonal sources are: coercive, expert, legitimate, referent, and reward. Organizational power sources are: knowledge, resources, decision- making and networks. Power tactics employed by managers include: reason, coalition, friendliness, bargaining and assertiveness. Politics is the art of acquiring and enhancing power. Employees have a certain role to play. Therefore, their exercise of power is limited to a large extent by the role obligations. Political behavior is of two types-legitimate and illegitimate. Research has indicated a number

of factors, which can contribute to political behavior. Individual factors include: Need for power and high expectations of success, Machiavellianism locus of control and risk taking propensity. Organizational factors include: reallocation of resources, promotion or advancement, low trust and role ambiguity.

## MINTZBERG'S POWER GAMES

Henry Mintzberg is one of the main business gurus, in particular in the realm of strategy. He described a set of political games. Note how most of these are about building power in various areas, and how more than one game can be going on at the same time and with the same people.

### The games

- 1. Insurgency game:** Revolution from the bottom. Much beloved of Trades Unions and those who feel the weight of authority. Often has a transactional child -> parent basis.
- 2. Counter-insurgency game:** Play by the authorities as they fight back against insurgents. Very much a parent -> child basis. Between them they play many other games within this field, such as 'Catch me if you can', Blame games and the 'Poor me' game.
- 3. Sponsorship game:** Building power through attaching oneself to those who can help you in the future. The general deal is that the lower-down people get to be able to call on the higher-up people, who in turn have a loyal servant who keeps their ears to the ground and so on.
- 4. Alliance-building game:** Building power through peer networks. Note how this is played horizontally through the organization vs. the vertical game of Sponsorship.
- 5. Empire-building game:** Played particularly by managers on their way up the organization, building their power base. Internal competition then is between complete fiefdoms rather than individuals. This is very useful if you are playing a war game.
- 6. Budgeting game:** Budgeting often has a clear rules and this game is about getting the most money you can, typically by asking for too much with the knowledge that you will get only a part of what you asked for. More than any other game, this is zero-sum, because when I get the money, you don't.
- 7. Expertise game:** This is played by people with expert power, where they manage their knowledge and skills more for their own gain than for that of the company. For example, they will only give out information or help those who can help them back in the future. Thus is can be played together with other games.
- 8. Lording game:** This is played with the power of one's position, for example where a senior manager assembles his staff and makes pronouncements, sending them off to do his or her bidding (which may, of course, not be in the interests of the company).
- 9. Line vs. staff game:** This is the game between line managers who are faced with the day-to-day working of the organization and the staff advisors who seek for example to spread best practices and common working procedures. The staff often have no direct authority, which allows the line managers to refuse or resist.
- 10. Rival camps game:** When Empire-building turns into an us-vs-them game, typically when there are two main camps, then it can turn into all-out war. This often happens between departments, such as manufacturing and research, marketing and sales, etc. where there are different expertise, goals and interests and it is easy to point the finger over the fence.
- 11. Strategic candidates game:** This happens when there are possible plans in the offing and groups of people cluster around these ideas. In a way, it is the ideas that are fighting one another.
- 12. Whistle-blowing game:** This is where an insider leaks information (perhaps to the press) or when somebody names the 'dead elephant' in the middle of the table. When the emperor is told that he has no clothes, it is normal that he fights back, so this is a dangerous game to play and can be done due to morals, naivety or with specific political intent, such as to discredit a rival.
- 13. Young Turks game:** This is often played as the 'thrusting young men' game where testosterone rules and aggression is the major tool. It also appears in leadership challenges and attempts to change strategic direction.

## The Impact of Power and Politics in Organizational Productivity

by M.T. Wroblewski; Updated November 14, 2018

It probably happened long before you managed an employee project for the first time, long before you cracked open your first management book and even before you got your first job. It probably happened when you learned, to your great pleasure, that “all” you had to do was collect papers for your elementary school teacher or scoop up all the softballs after batting practice for your coach. Such gestures conferred favored status upon you while engendering snickers and jealousy on the part of your peers.

Little did you know that you were engaging in organizational politics, though of course you didn't refer to it in such heady terms. You were simply learning to get along in the world, as young people do. Now that you're a small-business owner, you might be surprised at how little the world has changed – and how that youthful lesson about power and politics resonates with adults. The difference now is that the proverbial shoe is on the other foot, making it vital that you expand your world view to the four domains of organizational politics. As you gain a firmer grasp on these domains, you can do more than understand the role of power in effective leadership; you can learn to manage the power you possess at your fingertips to enhance productivity among your employees.

Come to Terms with Organizational Politics

Somewhere along the way, “politics” may have become a dirty word in your vocabulary. Some of these connotations still exist, especially when they're linked to the internal politics in business. Even the Business Dictionary defines organizational politics as:

- “The pursuit of individual agendas and self-interest in an organization without regard to their effect on the organization's efforts to achieve its goals.”

You might say that collecting those papers or softballs advanced the goals of your “school organization” quite nicely, even if your classmates didn't always agree. In this case, you may favor a less ego-centric definition of organizational politics from the Harvard Business Review:

- “Organizational politics refers to a variety of activities associated with the use of influence tactics to improve personal or organizational interests.”

In other words, it's possible that organizational politics has gotten a bad rap, the University of Minnesota says:

- “Although often portrayed negatively, organizational politics are not inherently bad. Instead, it's important to be aware of the potentially destructive aspects of organizational politics in order to minimize their negative effect.”

To upend the longstanding paradigm, Insead says that small-business owners should realize that:

- Politics exist in every organization. *It's futile to fight it or try to defeat it.* It can actually be “an asset for strategy execution” and a “natural, useful tool necessary to change efforts.”\* “Politics carries many negative connotations, but it is not just a tool for the self-serving,” Insead says. “At the very least, leaders need to be aware of the lay of the land so they can defend themselves against the push back they may receive in the course of strategy execution.”

That “push back” should be familiar, too. You may have experienced it when your classmates dissed you in the lunchroom or promised to meet you in the hallway after the last bell – only to leave you waiting and stranded. The political landscape of youth may have left you feeling confused and befuddled, so you'll be relieved to know that the terrain is actually easier to identify and navigate as an adult – if you're willing to get an up-close view.

States the Harvard Business Review:

- “Executives can view political moves as dirty and will try to distance themselves from those activities. However, what they find hard to acknowledge is that such activities can be for the welfare of the organization and its members. Thus, the first step to feeling comfortable with politics requires that executives are equipped with a reliable map of the political landscape and an understanding of the sources of political capital.”

Navigate the Four Terrains of Organizational Politics

That landscape consists of four basic elements:

- The weeds. *The rocks.* The high ground.\* The woods.

As power and politics ebb and flow through these domains, keep in mind that power may come in two forms: formal or informal. Formal power is explicit, drawing upon expertise and authority. But this may not

be your style. You may prefer to exert your power in more subtle ways and even through your relationships in the workplace. In fact, you may need to exercise both forms of power as you encounter:

- The weeds, in which informal networks grow, and grow naturally. They can be a force for good in a “boss friendly” organization but can also grow unwieldy and so hostile that they undermine and eventually choke a boss’ authority.
- Your best tack: Identify the influencers and keep them close. When gaps surface in the network, try to fill them with people aligned with you and your small business.
- The rocks, which can represent a stabilizing force, especially in times of crisis. At worst, the sharp, jagged edges can wreak havoc in an organization.
- Your best tack: Given the inherent nature of the rocks, a formal display of power is usually most effective. The exception: if you’re running your business alongside a dysfunctional co-owner or vice president. In this case, the best way to navigate the rocks may be by redirecting his energy on a positive endeavor.
- The high ground, which the Harvard Business Review says “provides guide rails for the rocks. It’s a functional political process that uses structures of control systems, incentives and sanctions that keep the organization in compliance.” As lofty as it may sound to occupy the high ground, an organization can become “overly bureaucratic” and averse to taking risks if it refuses to stray from the high ground.
- Your best tack: It’s never easy to kick-start change and innovation, but creating a reward system for employees who embrace such moves could be one of your very best demonstrations of managing power and politics.
- The woods is another place of duality, where people can find comfort and safety or a frustrating environment in which great ideas, change and innovation can get stymied and lost. Amid this terrain, a small-business owner must embrace the role of power in effective leadership by taking the implicit and making it explicit.\* Your best tack: “Ask clients, recent hires or temporary contractors about their observations and experience of how the company works; a fresh pair eyes will often identify things that incumbents are blind to seeing,” Harvard Business Review says. “Get benchmark information from surveys and specialist experts. Once the implicit assumptions are out in the open, ask your team to reflect on whether they’re helping your company or hindering it.” To defuse the internal politics in business, it also will help enormously to understand what motivates behavior rather than judge the behavior itself.

### **How to Navigate Politics in the Workplace**

It might seem politics is as prominent in your workplace as it is in Washington. Even if this is true, you can make choices to remove yourself from harmful office politics. By choosing to separate yourself from those who try to position themselves to take credit for work they didn’t do or those who spread gossip about other employees, you set yourself apart as a person who can work well with most -- if not all -- other people in your workplace.

1. Positions within organizations can change rapidly. This is important to remember, regardless of whether you are content in your current position or if you are hoping to be promoted. A person who is a coworker in a different department one day could be your supervisor the next day. Seek common ground, and focus on that common ground with those employees with whom you typically would not associate.
2. Keep sensitive information to yourself. Unless the information someone has shared with you is pertinent for a project on which you are working, there is no reason to share it with anyone else -- within or outside of your organization. Any level of trust you have with the individual who told you would immediately be lost if he finds out you have shared it. Use discretion to avoid conversations that delve into sensitive or personal topics.
3. Be the same person behind closed doors you are in other environments. If you are a trustworthy employee who does not take part in badmouthing supervisors, does her job well and takes responsibility for her own mistakes, others within the office will respect you for being trustworthy and approachable. The more you respect others, the less likely you are to become a victim of office politics.
4. Take credit for a job well done. There is nothing wrong with standing behind a project you completed that has received positive feedback. Accept compliments and give praise to others who helped you complete



the project. If you want to get ahead in the office or are hoping for a promotion, supervisors must see you are able and capable of producing quality work.

5. Document decisions and emails. If you are involved in a project you think might be controversial or you feel you will be questioned, keep record of the conversations and emails you had relative to the project. In addition to allowing you to show that proper processes were followed and approvals were received, documenting progress and communication also allows you to highlight your accomplishments.

6. Keep your ear close to the ground and step in when rivalries threaten to spiral out of control and/or create disharmony.

7. Exert your influence only when absolutely necessary, allowing employees to negotiate and settle internal conflicts on their own.

8. Treat everyone equally. You may have your personal favorites; what manager doesn't? But not showing preferential treatment will automatically level the political playing field.\* Model good behavior, though of course there will be times when you trip up. When it happens, 'fess up and point to your behavior as a cautionary lesson. Being supportive, loyal and team-oriented are qualities that Robert Half says employees will mirror back to you, underscoring the best lessons of organizational politics in action.