

Exploring the Linkage between Political Resources and Corporate Politics: An Adaptation of the Resource-Based Theory

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Abstract

This study explored the linkage between corporate politics and the resource based theory. The first part featured a conceptualization of organizational resources and review of the theoretical underpinnings of the resource based view. This was followed by a review of the classifications of resources. The second part featured an over view of corporate politics as a concept and the link between corporate politics and the resource based view. The last part featured an outline of organizational factors that motivate political behaviour as well as a highlight of some political resources employed by individuals within an organization. Finally the study concludes with an overview of the implication of political resources to management as a field.

Keywords : Corporate politics, Resource based view, Political resources.

1. Introduction

The concept of corporate politics suggests that individuals express political behaviour targeted at acquiring power or competitive edge over other individuals aimed at achieving personal or group interests within an organization (Vigoda, 2000). It is important to state that corporate politics is usually viewed as an organizational factor that negates the flow and effectiveness of management practices and activities. However the presence of corporate politics in management practices and organizational activities cannot be overemphasized.

The main focus of the resource based theory of a firm is the acquisition of sustainable competitive advantage over other firms in the industry (Olalla, 1999). The uniqueness of a firm's resources is considered as the basis for the strategic competitive edge achieved by the firm (Acedo, Barroso, & Galan, 2006). This study suggests that the resource based theory of a firm may be adapted as a theoretical foundation or basis for explaining the expression of political behavior by individuals within an organization. Thus this study seeks to explore a possible linkage between the themes of the resource based theory and the expression of political behaviors within a firm.

2. Study Question

This study questions the link between the themes of the resource based theory and the expression of political behavior within an organization.

3. Objective of the Study

In order to contribute to the literature on corporate politics this study brings to the fore the basis for the expression of political behavior as well as the various approaches individuals adopt in politicking within organizations. Ultimately the study seeks to show that corporate politics could have a far reaching as well as favorable implication for management practices and organizational activities.

4. Methodology

This study was based on an extended review of relevant literature as regards the concepts discussed. This was geared towards the achievement of the stated study objective.

5. Conceptual Framework and Literature Review:

5.1 The Concept of Resources in an Organization

Teece, Pisani, and Shuen (1997) define resources as firm-specific assets that are difficult if not impossible to imitate. Amit, and Schoemaker, (1993) also presented their definition of resources as stocks of available factors that are owned or controlled by the firm. According to Barney, (1991) a firm's resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, controlled by a firm that enable the firm to conceive of and implement strategies That improve its efficiency and effectiveness.

However Amit, and Schoemaker, (1993), define assets as a set of difficult to trade and imitate scarce, appropriable and specialized resources and capabilities that bestow the firm's competitive advantage. Thus as an interplay between the definition of resources presented by Barney, (1991), and the definition of assets as presented by Amit, and Schoemaker, (1993), this paper will adopt a definition of resources considered as all assets, capabilities, organizational processes, firm attributes, information, knowledge, controlled by a firm that enable the firm to conceive of and implement strategies that bestows on the firm a competitive advantage. It is important to state that this definition captures the essence of resources from the standpoint of the resource based theory of firm.

5.2 The Nature of Corporate Politics

The central focus of corporate or organizational politics is sustainable acquisition and display of perceived power (Pfeffer, (1981). Corporate or organizational politics is mostly evident in work-place lobbying or group actions geared towards a preferred outcome within an organization (Pfeffer, 1981). Corporate Politics involves activities outside conventional work or organizational practices employed to influence the actions of others in an attempt to achieve personal goals or the special interests of a group within an organization (Drory, and Romm, 1990).

Pfeffer, (1992) defined politics as the processes, the actions, the behaviors through which potential power is utilized and realized. Dubrin, (2001) also define organizational politics as all informal approaches geared towards gaining power through diverse means other than merit or happenstance. Generally these definitions present a uniform argument as regards the primary goal of politics which is to achieve power, either directly or indirectly. Achieving power in organizations could connote getting promotion, receiving a larger allocation of budget or other desirable resources or securing assignments which individuals consider as favorable.

5.3 The Link between Corporate Politics and Resource Based View

The resource based view emphasizes on strategies adopted by a firm targeted at gaining competitive advantage over other firms in the industry. Gaining competitive advantage through strategic approaches adopted by firms is synonymous to the struggle for power acquisition evident among individuals within an organization. Though the resource based theory focuses on gaining strategic edges between firms based on the uniqueness of resources owned by the competing firms in the industry, however the ideology can be adopted to explain the political behaviors of individuals within an organization. Individuals within an organization also efficiently and effectively use their unique resources such as political acumen and reputation to gain competitive edge over other individuals or groups within an organization. As earlier stated political acumen and reputation as argued by Rousso, and Fort, (1997) is a form of intangible resources employed by individuals within an organization targeted at the acquisition of perceived power or competitive edge or the achievement of their personal goals or interests.

Researchers such as Schuler, Rehbein, and Cramer, (2002), Dahan, (2005), Oliver and Holzinger (2008) have studied the relationship between corporate politics and the resource based view with a focus on examining the political behaviours expressed by firms in order to gain competitive advantage over other firms by effectively and efficiently exploiting the stock of unique resources available to them. However the approach of this study is to adopt the philosophical theory of the resource based view geared towards providing a basis for the political behavior of individuals within a firm.

Morgan, (1996) argue that most contemporary organizations encourage various kinds of political behaviour because these organizations are usually structured as systems of simultaneous competition and collaboration. This implies that individuals must collaborate or form clusters in pursuit of common goals. However individuals are often pitched against each other in competition for limited resources, status, and career development/advancement (Morgan, 1996; Dubrin, 2001). The conflicting organizational facets are usually clearly evident in the hierarchical organizational chart which reflects both a system of co-operation in that it promotes division of labour as well as a career ladder which individuals are motivated to climb up to the echelon (Morgan, 1996).

Considering that more jobs are available at the lower levels of an organization implies that there is stiff competition for the positions and resources at the top levels. Hence in the struggle between individuals for power acquisition in an organization only a few individuals will gain strategic edge over the others. Therefore individuals are forced to wield influence and exercise authority over others which encourage various kinds of competitive struggle upon which organizational or corporate politics thrives (Morgan, 1996).

5.4 *Organizational Factors that Motivate Political Behavior*

The following are factors that motivate political behavior within an organization as presented by Dubrin, (2001):

5.4.1 *Pyramid- shaped organization structure*

This connotes the concentration of power at the top levels of organizational structure which suggests why the availability of power as a resource is limited considering the number of people who competitively struggle to acquire it. Organizational charts reflect less power at the lower echelons than the top levels. Individuals who occupy the bottom levels of the organization have little or virtually no power. In view of the fact that most organizations have only few levels of hierarchy, competition for power becomes fierce and more intense.

5.4.2 *Subjective standards of performance*

Organizational politics often result when individuals do not believe that the organization has an objective and fair judgment criteria for the assessment of their performance and suitability for promotion. On the other hand when managers have no standard basis for determining the effectiveness of employees they also resort to favoritism which validates the expression of political behavior by employees.

5.4.3 *Environmental uncertainty and turbulence*

An unstable and unpredictable environment motivates the expression of political behavior within an organization. Individuals express political behavior to create a favorable impression of themselves especially in the face of turbulence and insecurity created by mergers and downsizing.

5.4.4 *Emotional insecurity*

Many individuals within an organization resort to political tactics to ingratiate themselves with superiors particularly because they have no confidence in their talents and skills.

5.4.5 *Manipulative tendencies*

Many individuals within an organization engage in political behaviour primarily to manipulate others, often for their selfish motives or personal goal and advantage.

5.5 *Political Resources Employed by Individuals:*

Based on an adaptation of Dubrin, 2001, the following are some political resources employed by organizations within a firm to gain competitive edge or power:

5.5.1 Relational skills

Relational skills facilitate alliance, and cultivation of friendly and cooperative relationships with powerful organizational members or external stakeholders. Relational alliance as a political resource can benefit an individual as regards sponsoring his interests in meetings and other public forums. Relational skills can be developed through social interaction, and attending social gatherings graced with the presence of relevant stakeholders.

5.5.2 Access to relevant information

Information is a major facilitator of successful expression of political behavior particularly because information confers a level of power on the one who has access to it. Hence keeping abreast with developments within a firm is considered a political resource.

5.5.3 Display of loyalty

Loyalty is always well esteemed in an organization because it is assumed that an organization functions better with more loyal employees than disloyal ones. However blind loyalty may not necessarily facilitate organizational development hence most rational organizations are open to constructive criticism even from workers perceived as loyal.

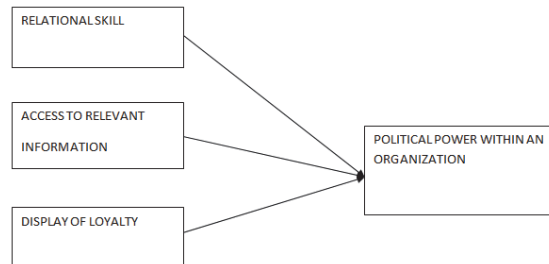


Figure 1: A Conceptual Model on the Relationship between Political Resources and Political Power within an Organization

6. Theoretical Framework

6.1 Resource Based View as a Theory

The resource-based theory of the firm propounded by Wernerfelt, (1984) is regarded as one of the theories of strategic management that is widely referenced particularly because of its practical relevance to contemporary management practices. The key theme of the resource-based view is the exploration of a firm's resources geared towards gaining sustainable competitive advantage over other competing firms in the industry (Mahoney, and Pandian, 1992). Thus the philosophical ideology of the theory suggests that competitive advantage can only be achieved by the effective and efficient employment of all resources available to a firm (Mahoney, 2001).

The theoretical framework of the resource based view developed with a focus on identifying the inimitable attributes of a resource (Peteraf, 1993). From the philosophical stand point of the theory, if a firm's resources can easily be imitated by competitors then sustainable competitive advantage cannot be achieved. Hence the theory emphasizes the pivotal role of a firm's resources in the achievement of superior performance and competitive advantage over other firms or competitors in the industry (Miller, and Shamsie, 1996).

6.2 Main Assumptions of the Theory

The first assumption of the resource based theory suggests that all firms within an industry or a strategic group or cluster may be heterogeneous as regards the stock of resources available to them (Barney, 1991). Secondly, the theory assumes that a firm's resources may reflect heterogeneity persistently over a period of time based on the fact that the

stock of resources employed to gain strategic edge are not perfectly transferable or mobile across competing firms (Black, and Boal, 1994). This implies that a firm's resources cannot be traded in factor markets and are not easy to amass and replicate. Hence the uniqueness or distinctiveness of a firm's resources is regarded as a pre-condition for the stock of resources to be effectively to gain competitive advantage.

6.3 Classification of Resources

Grant, (1991) classified resources into three main groups namely: tangible, intangible, and personnel based. Tangible resources refer to physical assets such as financial resources, equipment, machinery buildings, land etc. Intangible resources refer to identifiable long term assets of a company which have no physical existence such as patented technology, computer software, data bases and trade secrets, knowledge, technical knowhow etc. Russo and forts (1997) presented their view on resources classifications as:

- a) Physical assets and technologies and skills required to use them
- b) Human resources and organizational capabilities.
- c) The intangible resources of reputation and political acumen.

7. Implications for Management

Similar to the resource based theory which emphasizes the uniqueness of resources as the basis for gaining competitive advantage, in the same vein corporate politics stems from the uniqueness of an individual's political acumen as a resource and as a basis for acquiring power or a competitive edge over other individuals within an organization.

It is worthy of note that corporate politics is generally perceived to be of adverse consequences to any organization (Pettigrew, 2003). This is consequent upon its implications when carried out excessively and to the extreme (Culbert, and McDonough, 1985). Excessive politicking could result in low employee morale, a high rate of turnover, wasted time and effort hence lowering employee performance as well as organizational productivity (Dubrin, 2001; Pettigrew, 2003). However there is positive side to corporate or organizational politics. Politics is good for the workplace especially if individuals with correct organizational ideologies are able to influence the action of others towards the achievement of particular interests. This may facilitate professionalism and organizational effectiveness geared towards increased customer satisfaction hence increased organizational performance (Ferris, Davidson, and Perrewe, 2005).

It is also important for managers to acquire and retain power geared towards accomplishment of major organizational goals. Hence organizational politics is a major tool relevant to the accomplishment of the above. That politics does not exist in an organization is an illusion, thus it is also important that organization managers pay adequate cognizance to organizational politics particularly because of its implications for organizational performance (Coole, 2006).

8. Conclusion

The ideology of the resource based theory has been adopted to emphasize the uniqueness of political acumen expressed by individuals as a basis for the explanation of the existence of political behavior within a firm. The expression of political behavior within a firm is geared at gaining power or a competitive edge by individuals with the aim of achieving personal, or group interest or goals within the organization. Thus political acumen, tactics, and strategies have been brought to the fore as having notable implications for management practices and other activities carried out within an organization. It is also worthy to note this study has contributed to the development of the Resource based theory by extending its application and ideologies to the expression of political behavior within organizations.

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