

ROTTERDAM SCHOOL OF MANAGEMENT, ERASMUS UNIVERSITY

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Managing organisational politics for effective knowledge processes

by Jatinder S. Sidhu, Shahzad M. Ansari, Henk W. Volberda and Ilan Oshri

As business demands cause companies to become more distributed and global, dispersed organisational structures are created that fuel internal politics. So, how do these companies manage the sharing of knowledge and the co-ordination of tasks across borders?

A greater trend towards globalisation in business is encouraging companies, especially those which rely more on knowledge than physical materials, to outsource and offshore many of their in-house activities, moving them to a wholly-owned company or independent service provider in another country.

One consequence is that many companies find their value chain is dispersed across borders. While the resulting differences in geography, norms, skill sets, language, culture and interests add value, colour and vibrancy to the company, such a move also increases the complexity of managing the knowledge process – the access, transfer, dissemination, sharing, and integration of knowledge – and distributed tasks, during different stages of product and service lifecycles.

Typically, the diversity of local contexts and working groups may hamper the transfer of contextual or mutual knowledge that communicating parties share in common. In addition, remote counterparts often adopt unique local routines for working, training and learning that may obstruct the

development of shared understandings among remote teams. Differences in skills, expertise and technical infrastructure and methodologies can cause further difficulties, as can different time zones, which reduce the window for real-time interaction.

All these challenges can be understood in terms of three primary perspectives. The first perspective, *knowledge transfer*, focuses on the technical aspects including the use and development of information artefacts – the means for sharing information that supports communication across borders.

The second, *knowledge translation*, emphasises the social aspects, including establishing trust, a shared language and using collective stories as a way to address interpretive cross-border differences.

The third perspective, *knowledge transformation*, has its origins in a political approach that primarily concerns itself with the political aspects of knowledge, and the interests and agendas of people when they engage in cross-boundary knowledge co-ordination.

Organisational politics

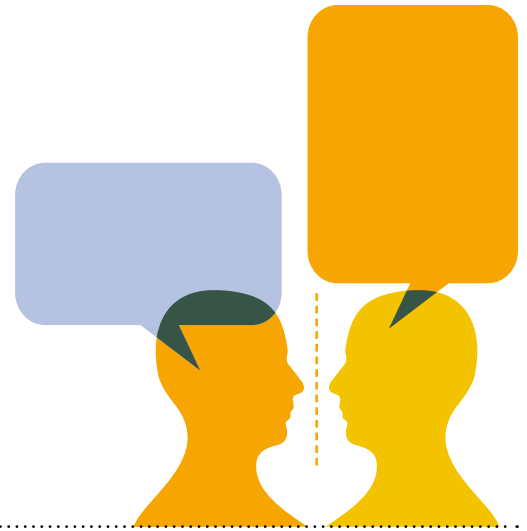
Organisational politics is the rivalry between competing interest groups or individuals for power, authority and leadership. The means often used include: influence attempts, power tactics, informal behaviour, and concealing one's motives. This can result in: self-serving behaviour, acting against the interests of the company, securing valuable resources, and attaining power.

As research into the interplay between politics and knowledge processes is limited, we decided to study how the former influences information flows across distributed (onshore and offshore) groups. More specifically, we looked into how the antecedents and consequences of politics might differ in the context of different globally distributed teams; and on how spatial, temporal, and cultural separation of onshore and offshore personnel has the potential to spawn politics and influence knowledge flows because of coalitions forming around localised goals.

Typical issues

Our research identifies three typical political “situations” when managing knowledge processes in globally distributed teams.

First, inconsistent or misaligned incentive systems are more likely to



lead to organisational politics. When teams are globally distributed, the dispersion of people means that the time they spend together is a scarce resource, and people may not have the opportunity to 'clear the air'. The emergence of localised interests and preferences may make such situations potentially more susceptible to political manipulation.

Typically, different incentive structures that create ambiguity and blur the relationship between performance and desired outcomes for teams can cause problems. Understandably, organisational politics can develop as members of the two groups may then tend to privilege their own interests, even when these are at odds with that of the other group and organisation.

misappropriation of intellectual property (which may occur in contracting or third-party relationships), it may also generate horizontal hierarchies and status differentials within distributed organisational members (such as those working in core front- and peripheral back-offices). This creates a politically sensitive atmosphere.

Finally, knowledge discrimination and censorship among organisational members of globally distributed teams may lead affiliates to experience a higher degree of organisational politics than in the case where organisations have contracting or third-party relationships. Not involving remote teams in sensitive forms of knowledge in the context of high-value activities, such as client negotiations, may breed a culture of

Such knowledge discrimination may create impediments towards developing a feeling of 'being in the same boat' and may reduce their ability to develop good relationships and collaborate with onshore workers.

Managing politics

So, what are the possible steps team managers can take to manage organisational politics and improve knowledge management in globally distributed teams? We suggest three distinct approaches.

First, instead of aiming at reducing or eradicating organisational politics, managers need to focus on activities that create a healthy political environment in order to improve knowledge flows and organisational performance. This means getting employees to speak out and expose troublesome issues, vent their frustrations, and engage with others in an open and transparent manner. Furthermore, alongside cultural managers, companies should consider appointing "alignment managers", people with political competencies and connections who can push ideas forward, steer organisational change initiatives and enrol wider support without triggering resistance.

Second, managers need to be consistent in the way they support behaviour and align interests, goals, ▶

“...managers need to focus on activities that create a healthy political environment...”

Second, differences in status among members of globally distributed teams may lead affiliates to experience a higher degree of organisational politics than in the case of relationships companies have with external contractors or third-parties.

Although being part of the same organisation may mitigate the threat of possible opportunism and

mistrust and impede knowledge flows.

As a result, front-office (and usually more highly paid) employees may thus be less open to sharing key knowledge and expertise with their back-office counterparts for fear of becoming less critical to the company. Similarly, back-office employees may refuse to share knowledge or withhold information due to perceptions of being unjustly treated.

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by Shahzad M. Ansari, Jatinder S. Sidhu, Henk W. Volberda and Ilan Oshri

and responsibilities among members of globally distributed teams in order to increase their motivation to share and disseminate knowledge. We suggest using insights from organisational economics to emphasise the need for appropriate incentive systems for aligning political interests and motivating people to share knowledge. Such tangible measures may contribute to developing a sense of mutual dependence and oneness, and complement programmes aimed at technical and cultural alignment to improve the management of knowledge processes.

Finally, global teams need to renew and renegotiate norms and work habits on an ongoing basis, and not only at the beginning of a project. We argue that engaging in actions to diffuse tensions and power struggles should be a continuous, not a one-off, activity.

In studying several offshore projects at different locations, we observed that companies tend to devise elaborate training programmes and invest in creating cultural and technical compatibility among dispersed teams at the inception and during the early stages of an offshore or an outsource project. However, as the project progresses, enthusiasm for such pressures may wane and dispersed counterparts then tend to shift their attention to local interests and priorities

while paying less attention to the globally collaborative mode of work.

Organisational solutions

The diversity of cultures, languages, customs and attitudes that a distributed organisation brings onboard can be viewed as a benefit, but also a challenge. The resulting organisational politics is an integral part of business and a fact of life that cannot be ignored.

In addressing this issue, it is crucial for businesses to recognise that their teams (in particular those that are part of the same company) are more prone to organisational politics than others. This requires organisational efforts and politically savvy managers to mitigate some of the negative impact of political behaviour, which may impede the flow of knowledge and the co-ordination of distributed tasks.

As a follow-on to our work, we have identified several possible projects for future research. One is to investigate how knowledge-related practices are constituted by and through political relations in different organisational contexts; and the extent to which political behaviour can be channelled to the organisation's benefit. Another is to examine the extent of people's understanding and perceived control of organisational politics. A third could be to identify and investigate additional motives behind organisational politics,

and to develop strategies for channelling organisational politics in a manner that is beneficial to the company. ■

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