

Organizational Politics and Productivity in the Public Sector

***¹Kelechi Enyinna, ²Michael, Ndugbu**

¹*Department of Financial Management Technology, Federal University of Technology, P.M.B 1526, Owerri-Imo State, Nigeria*

²*Department of Banking and Finance, Imo State University Owerri, P.M.B...Imo State, Nigeria*

Abstract: *This study investigates the impact of power and politics in the public sector, Nigeria. Qualitative research methodology was chosen to study the Power Holding Company Nigeria (PHCN). The company's representatives were interviewed to generate data relevant to the objective of this study. Research found that; power applied positively in line with organizational policy increases productivity. Productivity increases due to interpersonal relationship among employees and personal initiative. Power applied negatively decreases organizational productivity due to employees' victimization, causing them not giving the best of their input as desired for organizational survival. Again, it results to conflict among employees which can lower productivity. Due to struggle for power, factions are formed leading to negligence of responsibility which invariably lowers organizational productivity. On the issue of politics, study also found that; good political behavior increases productivity of the organization, because everyone is carried along (individual, group and organization) interest are represented, therefore there is no room for chaos or rancor that can bring conflict among employees. On the other hand, bad political behavior reduces productivity by disrupting interpersonal relation among employees, information sharing, and organizational functions. Politics is a lubricant that oils an organization's internal gears, apply the proper lubricant things work fine, and forget to lubricate it, your organization will grind to a halt. Study concludes that organizational politics can be dealt with, if managers should shun or control any political behavior that can sabotage organizational interest rather than individual interest.*

Key Terms: *Power, Organizational Politics, Influence, Motivation and Behavior.*

I. Introduction

The most problematic factor for doing business in Nigeria and most other African countries is inadequate supply of infrastructure (The African Competitiveness Report, 2009). Among other infrastructure, power constitutes the prime infrastructure challenge facing any developing nation. The inability to have energy drive the wheel of progress is the major problem of many sectors in the Nigerian economy. Some manufacturing companies have to get their own transformer before starting production. After spending huge sums of money to acquire the transformer, it automatically becomes the property of power holding company (PHCN). Yet such a company will also have to get at least one high capacity generator as a source id regular supply.

In view of this, Ndugbu (2011:15) noted that most small and medium enterprises (SMES) in Nigeria spend over 60 percent of their annual budgets on procurement of generators and diesel. This is adversely affecting the cash flows and the cost of production in these companies. The author further stress that, despite huge investment by the Federal Government of Nigeria, supply of power have not been standardized. Nigerian citizens do not see this situation as normal. Some see it as a function of corruption; while others see it as a purpose of organizational politics. Whether or not, poor power supply is the most debilitating problem among the challenges faced by business people in Nigeria. In fact, the supply of energy has become an albatross to the Nigeria's manufacturing and service sectors, Because of this inefficiency and ineffectiveness associated with the services of PHCN, Nigerians and even foreigners have nicknamed this public sector organization various brands of derogatory names that depict constant power outages such as "Never Expect Power Always Plc".

Now the relevant question that calls to mind is; how does organizational politics in PHCN affect the quality of service delivery and overall productivity of the organization? In other words, this study links low productivity of the PHCN (as evidenced by constant power outages) to the organizational politics practiced in such public sector organization. Power and politics play significant role in an organization or business enterprise especially understanding how organizations operate, how decisions are made and employees' interaction with one another. Organizations involve institutions that enable society to pursue goals that could not be achieved by individuals acting alone. The way organizational sub-units and individuals are controlled is related to the issue of power and politics (Ivancevich, Konopake and Matteson, 2008). The term power and politics are frequently used interchangeably in the field of management. However, there is a significant difference between them.

Power represents the capability to get someone to do something or the potential to influence others, while politics influences either individual or groups (Ivancevich et al., 2008). Behavior is anything a person does, such a talking, walking, thinking, or day dreaming. Influence is the exercise of that capability (that is,

power in action or attempt to change one's behavior) according to Kreitner, (2004). Related to this, power is not an attribute of a particular person rather a relationship between two or more people. No individual or group can have power in isolation; power must exist in relation to some other person or group. Therefore, obtaining, maintaining and using power are all essential to influencing the behavior of people in organizational settings.

In most organizations, the impact of power depends largely on how it is applied (that is, whether employees use power positively to influence others in the work place). In line with this, McShane, Von Glinow and Mary-Ann (2002) also argue that, power can be applied in one way or the other for the survival or sustainability of any organization. The position occupied by the power holder is such that the person can grant rewards to those who comply with commands or orders. Similarly, positive use of power can also encourage productivity by giving employees the power to make decisions and appoint staffs that performs optimally, to supervise other employees. The implication of this is that, it builds employee confidence and motivates them to work. Not only that, employee retention rates is higher when they are given the power to express concerns and work together as a team in the work place (Zeiger, 2013).

Organizational politics is the pursuit of individual agendas and self interest in an organization without regard to their effect on the organizational effort to achieve its goals. Larsen (2013) points that; political behavior can negatively influence cooperation, information sharing, and many other organizational functions. Different people possess different political behavior. One person may recognize a series of events to be political, with some people benefiting at the expense of others. While another person may not recognize these events as political at all. Studies of Mitt (1998) conclude that, organizational politics is very harmful, but it is resistant to managers' effort to correct due to selfish interest.

Employees who learn to navigate organizational politics are more productive than those who are left out of the loop. Organizational politics may also influence the power holder and determine whether the overall culture of the workplace encourages productivity. To encourage productivity, organization must develop a political culture easy for employees to understand (Zeiger, 2013). According to the author, establishing clear policies and rules in the organization creates good democratic work environment that encourages productivity and team work. It also prevents conflict that can reduce productivity.

Organizations that develop climates of negativity and conflict suffer as a result. If employees are encouraged to engage in dishonest or unethical behavior to get ahead and favoritism trumps the quality of work, an organization faces decreased in productivity and higher turnover rates. An organization without clear policies and chains of command leads to employees spending more time, searching for answers and attempt to fix problems than actually completing quality work (Zeiger, 2013). Organization suffers as a result of negative interplay of politics, these problems result to destruction of team dynamics, leads to employees' victimization which creates inefficiency and lowers productivity.

1.1 Theoretical Framework

The concept of power and politics is becoming increasingly interdependent. This means that power and politics in most times are related to one another. Without the use of power and politics, it is difficult for any organization or institution to survive. Even naturally, man is political in nature; therefore anything involving man is also political in nature. A lot of people have argued for or against the use of power and politics positively and negatively. Both the positive and negative aspects of power have made the definition of power too broad and complex to define. In distinguishing between the two concepts, different authors and practitioners in this field of study have defined the two concepts differently. Dubrin (2002) defined power as the potential or ability to influence decisions and control resources. It is also defined as the ability to influence another to do the others' wishes. When a person is able to make another person change from his original position to the position the other suggests, either through force or subtly, then power is said to have been exercised (Nnabuike, 2009). The author argues that, power can be exercised unintentionally and intentionally without being conscious of it.

The source of power is derived from: legitimate, reward, coercive, expert and referent power. Legitimate power is type of power derived due to the position of power holder within the hierarchy of firm. It stems from an authority's legitimate right to require and demand compliance. Coercive power is the power to issue treat or (punishment). To be effective employees must fear punishment (Belen, 2008). Reward power is a type of power used to reward those who comply with commands and other. Expert power is the power to control others due to possession of specialized skills and experience. Referent power is the power to influence others due to admiration of personal traits and characteristics (McShane et al., 2002). In addition, legitimate power, coercive power and reward power are type of power stemming from the organization (position), while expert power and referent power are type of power stemming from the individual (personal). A mentioned before, the source of these power can be exercised positively or negatively in the work place.

Politics is also defined as influence on either individual or group (Ivencivich et al., 2008). It is also the pursuit of self- interest in response to real or imagined opposition (Kreitner, 2004, p. 476). Organizational politics is defined as, "attempt to influence others using discretionary behaviors to promote personal objectives"

(McShane, et al., 2002). Related to this, Larsen (2013) point that, organizational politics can be a nasty business where people promote their own self-interest at the expense of the company goals. It can be secretive and cause to doubt intentions of other people.

Political behavior are “activities that are not required as part of one’s formal role in the organization, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organizations” Robbins et al. (2008). Political behavior has both good and bad implications in the organizational productivity. Good political behaviors are those that enhance the achievement of personal, group and organizational goal. The emphasis on personal and group goals becomes necessary because all must be carried along. Bad political behaviors are those that discourage trust, instill fear, enhance disunity, breed suspicion and sustain infighting among employees. The authors stress that; managers in various organizations should prevent bad political behavior since they are in charge of their firm, cautions should be taken when handling such situation. The authors point that checking or controlling political behavior is possible to be achieved through the following strategies; discouraging vindictive gossips which aims at assassinating co-employees’ character; avoiding oversized ego which encourages power-stricken employees to “apple-polish” an executive; being cautious of joining coalitions by carefully scrutinizing reasons why such information groups are formed; disseminating information that will enhance achievement of organizational goal and among others.

Studies of Robbins et al. (2008) also suggest that, political behaviors should be considered only when they are guided by the following moral rules as: utilitarian rule, individual right rule and distributive justice rule. The same author repeats that, utilitarian rule is a type of political behavior for the greatest good of the greatest number, that is it focuses on serving personal and group interest. Individual right rule focuses on right to privacy, free speech, due process or other rights while, distributive justice rule focus on equal treatment of all parties fairly. Among all the three moral rules that control political behavior, distributive justice rule is considered the best. The reason for its choice is that it supports the purpose of this study which focuses on the impact of power and politics in the work place. Distributive justice rule motivate both employees to work.

II. Methodology

This section introduces details of Power Holding Company Nigeria (PHCN), presentation of data analysis, discussion and findings

2.1 Details of Power Holding Company Nigeria (PHCN)

Historically, National Electric Power Authority popularly known as (NEPA) was responsible for power generation, transmission and distribution. To address the twin issues of NEPA’s poor operational and financial performance, the FGN amended the then prevailing laws (Electricity and NEPA Acts) in 1998 to remove NEPA’s monopoly and encourage private sector participation. The amendments, however, were not far-reaching. This informed Federal Government of Nigeria of the need to undertake holistic policy, legal and regulatory reforms.

The National Electric Power Policy, 2001, specifies the reform agenda, while Electric Power Sector Regulatory Agency (EPSRA) provides the legal basis for the unbundling of NEPA, the formation of successor companies and the privatization of the latter into a new firm called Power Holding Company Nigeria (PHCN); and subsequently unbundled it into eighteen (18) successor companies such as (Afam Power Plc; Sapele Power Plc; Ughelli Power Plc; Geregu Power Plc; Shiroro Hydro Power Plc; Kainji Hydro Power, among others).

Strategically, the objectives of the reform include (i) the transfer of management and financing of supply chain (SC) operations to the organized private sector; (ii) the establishment of an independent and effective regulatory commission to oversee and monitor the industry; and (iii) focusing the FGN on policy formulation and long-term development of the industry. This will lead to; increased access to electricity services; improved efficiency, affordability, reliability and quality of services; and greater investment into the sector to stimulate economic growth.

2.2 Presentation of Data Analysis

Study adopted qualitative research methodology using a study of Power Holding Company Nigeria (PHCN). The company’s representatives were also interviewed face-to-face using audio tape to get empirical data. This section presents the analysis of empirical findings obtained through interview with the representatives of Power Holding Company Nigeria Plc (PHCN) and discussed in relation to the theoretical frame of reference. Analysis begins with data presentation and discussed in two parts in the following; impact of power on organizational productivity and impact of politics on organizational productivity.

Studies conducted by Saunders et al. (2007, p.479) present that, qualitative data analysis involves the following activities; data categorization, ‘unitizing’ data, recognizing relationships and developing the categories and lastly developing and testing theories to reach conclusions. Data categorization refers to classification of data derived from theoretical framework or empirical sources into meaningful categories in

order to create a fit or a well structured and analytical framework to pursue analysis. According to the authors, the choice of categories can be derived from research questions and objectives. 'Unitizing' data refers to attaching relevant 'bits' or 'chunks' of data to the appropriate categories developed. Recognizing relationships and developing categories refers to designing suitable matrix and assigning data within its cell (Yin, 2003). The author also point that, there is need to identify or recognize key themes and patterns between categories. Developing and testing theories refers to testing of apparent relationship or connections between theories to make conclusion.

This study presents and analyzes data according to the process of categorization indentified by the work of Saunders et al. (2007). Data is organized into categories in the following step;

- i. First, identify 'Key words' and 'Key terms' from the theories.
- ii. 'Key words' or 'key terms' extracted from empirical source (interview).
- iii. 'Key words' or 'key terms' extracted from the theories was related with empirical source.
- iv. From the extracted information between theories and empirical source, an outcome was established.
- v. Established outcome between theories and empirical source was analyzed in two categories such as: impact of power on organizational productivity and impact of politics on organizational productivity.
- vi. Finally, with the information analyzed above, a conclusion was drawn at a point where organized data from the empirical data (interview) converge or diverge with the theoretical frame work or literature review (Ugwu et al., 2008).

2.3 Discussion and Findings

As mentioned above, analysis of result is discussed in two parts in the following; impact of power on organizational productivity and impact of politics on organizational productivity.

2.3.1 Impact of Power on Organizational Productivity

Discussion of this section is categorized into; positive and negative impact of power on productivity.

Positive Power: Studies of McShane et al., (2002) point that; positive interplay of power (that is, power occupied by position) can encourage organizational productivity. This results when employees are given the power to make initiative. Related to this, Studies of Zeiger (2013) noted that employee's retention rate increases when they are given freedom to express concerns or work as team- mates. In view of this, positive interplay of power can bring peace and dedication in the working environment if applied in line with the code of conduct of the organization to maintain discipline and bring out the effectiveness of the staff, invariably leads to more productivity according to one of the Respondent of the company interviewed. There is a strong indication that information given by theoretical frame of reference agrees with the empirical findings (case study).

Negative Power: Kreiter (2004) also stress that, negative interplay of power influences the behavior of employees negatively which also affect organizational productivity. Related to this, Zeiger (2013) highlights that, "any organization that incorporates climates of negativity and conflict suffers". This can drive employees into dishonest or unethical behaviors thus, leading to higher turnover rates and decrease in productivity of output vis-à-vis. Negative interplay of power can reduce productivity of output in a situation of employee victimization; causing employee not bringing out the best of input as desired for organizational goal according to one of the company's respondent interviewed. The same respondent further stress that struggle for power can create conflict among employees which can affect productivity. Due to struggle for power, factions are formed which result to non-commitment of responsibility invariably lowers organizational productivity. Based on this, theory agrees with findings (case study).

2.3.2 Impact of Politics on Organizational Productivity

Discussion of this section is also categorized into; positive and negative impact of politics on productivity.

Positive politics: According to Dubrin (2002) and Robbins et al. (2008), good political behavior increases productivity of the organization, because everyone is carried along (individual, group and organization). The authors point that, political behavior should be based on; serving personal and group interest, equal treatment of all parties fairly/motivation of employees to work; due process among others to encourage productivity. In view of this, positive political behavior can't create conflict among employees instead it brings peace and dedication among employees as a result of corporation between one employee to employees as compared to a situation when there is rancor and chaos existing according to one of the respondents of the company interviewed. Based on this, theory agrees with findings.

Negative politics: According to Larsen, (2013) bad political behavior can influenced cooperation, information sharing, and organizational functions. The author further stress that different people possess different political behavior. One person may recognize a series of event to be political with some people benefiting at the expense of others; while another person may not recognize these events as political. Studies of Witt (1998) conclude that, organizational politics is harmful. Negative interplay of politics can create conflict

which affects the culture of the organization, invariably reducing organizational productivity according to one the company's respondent interviewed. The same respondent concludes that, bad political behavior results to insecurity and suspicion between the power holder and other employees in the organization.

III. Conclusion

On the issue of power, study found that; power applied positively in line with the code of conduct of the organization can bring out the effectiveness of the staff which can invariably increase productivity. This arises when employee's works together in a friendly manner, personal contributions and initiative plays adequate impact towards increasing organizational productivity. While power applied negatively to influence the behavior of employees can also decrease organizational productivity. The reason is that productivity of organizational output decreases more when employees are victimized; causing them not giving the best of their input as desired for organizational survival. Again, negative interplay of power can destroy organization by inflicting conflict among employees which can lower productivity. Due to struggle for power, factions are formed leading to negligence of responsibility invariably lowers organizational productivity.

However, on the issue of politics, study also found that; good political behavior increases productivity of the organization, because everyone is carried along (individual, group and organization) interest are represented, therefore there is no room for chaos or rancor that can bring conflict among employees. On the other hand, bad political behavior is dangerous and can unfavorably affect cooperation, information sharing, and organizational functions which in most cases lead to conflict that can reduces productivity.

Study also found that, interplay of power and politics has its own pros (positive effect) and cons (negative effect) on Power Holding Company PHCN. However, the cost outweighs the benefit; the reason is that PHCN has failed its obligation to supply uninterrupted energy to meet up with the demands of its customer due to parochial and selfish interest of corrupt few individuals or groups sabotaging any attempt to maintain uninterrupted supply.

On managerial implications, politics can be managed positively if it cannot be totally avoided. "Politics is a lubricant that oils an organization's internal gears, apply the proper lubricant things work fine, and forget to lubricate it, your organization will grand to a halt" (Bollander, 2011). Based on this, managers should shun or control any political behavior that can sabotage organizational interest rather than individual interest.

3.1 Recommendations

Study recommends full privatization of Power Holding Company Nigeria (PHCN) because inefficiency and ineffectiveness of productivity of this company is as a result of corrupt practices and selfish interest of few or group of individuals exploiting this situation to their own advantage thus leaving others behind tight corners.

Study also recommends that managers should ensure that alliances are built well in advance in any political conflict. Alliances are a great way to help each other achieve favorable objectives. They should understand the question behind question. That is, in political change environment, it is important to adjust oneself from controversial issues, avoid lies and always say the truth. Again, managers should also foster relationship between co-workers than being sentimental on few individuals. This can help to navigate from bad political behavior as mentioned before. Managers should focus on helping others because it brings respect and trust between managers and employees or sometimes disagree to agree. If all these measures are incorporated, study hereby concludes that organizational politics can be dealt with.

Again, during the interview session with representative of Power Holding Company Plc, one of the respondent admitted that the company has not been able to match uninterrupted supply of energy with demands of its customers due to numerous structures springing up together with equipments that needs electricity (energy). Based on this, future study should also consider this aspect for further researcher. According to one of the PHCN's representative, the company is on transition stage of its privatization; this means that there is likelihood for its mergers or acquisitions taking place in the future. This might affect PHCN's name changing to another thing (not yet known as at the time study is conducted); therefore future researchers should explore and exploit this advantage vis-à-vis. The process of privatizing Nigeria's power sector should be transparent enough and devoid of any political maneuvering that may defeat the whole essence of privatization. To achieve this, Government must ensure that the sale of the power plants follow due process and laid down procedure capable of eliminating all manner of suspicion of favoritism and foul play. All stakeholders in the power sector reform must be carried along.

The bureau for the privatization of public enterprises must ensure that the pricing mechanism to be adopted must match with global best practices that support optimal allocation of resources. The ownership structure should not be monopolistic. The implication is that, monopoly promotes gross inefficiency and dead weight loss which are features of state-owned enterprises. Given the strategic importance of power infrastructure in the economy, government should create incentives mechanism for investors in the power sector. In conclusion, study recommends that Federal government of Nigeria should remove all impediments or barriers

(such as high tariff, quotas among others) that will affect full privatization and deregulation of the power sector. Reliable, cheap and stable electricity remains the only catalyst to a more resourceful manufacturing sector and vibrant economy; there should be massive private sector investments in upgrading the state of energy infrastructure in Nigeria.

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