

# **Political Diagnosis**

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## **Organisational Politics and Culture, and Change Management**

### **Introduction and Scope**

Most change management programs rely on a belief that by changing the structure of an organisation, it will change the behaviours of those within it. (Kotter, 1996, p 4)

Phrases like 'shifting the deck chairs on the Titanic' are representative of the underlying cynicism that some managers have for this single focused approach. Bolman and Deal (1997, p 266) advocate that there are four frames that need to be addressed simultaneously to have effective change.

Those 'frames' are structural, political, human resource and symbolic. While it is not the purpose of this briefing paper to detail the structural, symbolic or human resource elements of change programs; they will enter into the discussion of the methods that can be used to determine the organisational politics affecting change design and implementation.

Harvard's John Kotter (1996, p21) states that after establishing the need for an organisational change program, it is essential to create a 'guiding coalition'; a power group of senior managers that will promote and influence others regarding the change program and drive it to conclusion. To be able to do this requires a method for undertaking a political diagnosis, to establish the pecking order of support, to establish which managers are going to be affective at promoting the changes, to find the people who will actively resist the changes, and those that are going to be threatened or potentially lose by the initiatives.

Jack Welsh (CEO for 20 years of the \$207 billion-a-year GE Corporation and implementer of a company-wide change program lasting for his entire tenure) has a 17% a year turnover through removing people who do not comply with the 'company values'. The company values nominally promote informality, good communication and lack of hierarchy. As one of last acts before Welsh retires he stated: 'I have selected my successor' - a proclamation that clearly indicates who has the power. The GE values hide a control structure that requires Jack Welsh to be the arbiter of all things good for GE; and sets up the role of king and king maker. All other potential power groups and dissenters are dealt with (by his own admission) through the regular values alignment process. (SMH, 23Sep2000, p21 and 24)

Commercial success relies on knowing who are the allies, who are enemies, who is dependent on whom, who controls the resources, and what power and influence can be delivered to the change-cause by each group. (Pfeffer, p100-101)

### **Steps in Undertaking a Political Diagnosis**

Pfeffer (1992, p29) proffers a seven point process to achieve organisational changes. A significant part of that process is the determination and use of control and influence (politics). Strauss (1963) offers a model for negotiated order where the sub-divisions have clear political aims at the same time as they are trying to achieve the objectives of the organisation. Strauss has four parts to his political diagnosis:

- a. establishing differential groups by profession, training, ideology, career and hierarchy (p306);
- b. measuring the relationships between the daily working employment groups and the permanent structure, including its rules (p307 and p318);
- c. observing the transactions of professionals among and between echelons in terms of rules and hierarchy (p319); and
- d. assessing the external pressures from career streams, unions and technology (p319).

Both Pfeffer and Strauss have similar constructs. The model presented by Greiner (1988) has particular relevance here because of its orientation to organisational development. Greiner's seven point model explores the key power relationships and assumes the involvement of an external consultant. The sponsorship role of a powerful player is key to both the Greiner model and the Kotter model. The primary comparison, however, will be to Pfeffer's model. His political diagnosis has three parts:

- a. **Identify the Relevant Subunits or Subdivisions.**  
Identification of the relevant political divisions allows individuals to form coalitions to effectively deploy the leverage that they possess. Organisations may be split into political units defined by rank, geography, function, or relationship in more homogenous companies. In demographically heterogeneous groups they may be divided by: personal relationship, ethnicity, organisational hierarchy, profession, religion, or gender. Dilts (1990) says that: 'people like people that are like themselves' resulting in an affinity to form power blocks for no other reason than they have similar values and beliefs.

In some cases the political divisions are self evident, purposefully created to engender some effect. In most cases, however, the selection of relevant subdivisions is by the application of clustering criteria to ensure that each category is as inclusive as possible, and is internally homogeneous with respect

to the issues under study. A more formal approach can also be used called 'social network analysis', where ties between players are explicitly measured and network algorithms determine groupings. (Pfeffer, p53)

Robert Dahl (1986, p42) called these political divisions 'distribution', while Kotter (1996, p21) divides out the power groups to then only align with the 'Guiding Coalition' to ensure he has the power to achieve organisational change.

In comparison, Greiner (1988) selects power relationships at the upper management level to work through (his first five points), then analyses the relationship between subdivisions and upper management (last two points). He assumes the relationships without having a mechanism to establish those links, nor is there methodology to test his assumptions.

b. **Determine the Relative Power Ranking.**

Power is not employed unless there is a difference in the perspective between divisions, or there is a conflict. Power is not about predicting the outcome of events when everyone agrees; it is about achieving an objective against opposition. To be able to determine the power ranking of groups requires an assessment of the indicators, rather than some direct measurement. More than this, a single indicator may be misleading; and so, a number of clustered indicators is far more reliable than an isolated example. Indicators of power include:

**Reputational Indicators.** Asking questions or conducting interviews about the level of influence, the number of successful outcomes, or the power held by groups; provides a potential source of information. The veracity of that ranking depends on the universality of scores provided by each of the divisions. It also depends on the openness of the participants.

Polsby (in Pfeffer, p54) conducted a study that was limited by the willingness of the subject groups to divulge political information and also highlighted that the act of conducting the survey may have stratified the groups where no previous power stratification existed. Reputational questionnaires also assume that knowledge of the power distribution and willingness to share that knowledge exist. The politically astute are often unwilling to parade their capability in such studies. (Pfeffer, p56)

**Representational Indicators of Power.** Representational indicators of power can only be collected for an instant in time and do not indicate the influence shifts that occur in the corporate environment over time. Representation by power divisions on boards, people with specific control of resources, and sub-

division members with control over information or decision-making, are indicators of alignment of power within the organization. The identification of critical roles and their occupants also allows the understanding of power distribution.

Power is also used to take action, and so by observing the consequences of actions; ipso facto, the alignment of power is also observed. Examples may include: higher comparative salaries, greater disposable resources, larger budgets, state-of-the-art technologies, and numbers of staff in the subdivision.

Dahl (1986, p42-46) concentrates his efforts in this category of power measurement with descriptive characteristics such as 'scope' (where influence can be peddled over a wide or narrow range of areas), and resource allocation (where the distribution amongst power sub-divisions is measured by the allocation of limited resources).

Greiner (1988, Chpt 7) broadly discusses diagnosing power but focuses on the use of power strategies to 'deceive others' or acquire power as a change agent. He also assumes a difference in power based on three hierarchical levels within an organisation: management, organisational units, and executive. In other ways, his assessment of power indicators is similar to the Pfeffer model.

**Symbols of Power.** A related category of data for establishing a political diagnosis is the 'symbols of power', often expressed in comparative terms. Mobile phones, larger offices, more award presentations, better office accoutrements, insignia on uniforms (like military rank, or airline positions), age of the building compared to other divisions, views, height or position within structures, and membership of clubs or airline travel grades; are all examples of symbols that can be measured.

Care must be taken not to take one observation by itself as clustering of power indicators increases the validity and reliability. (Pfeffer, p63) At the same time, symbols and measurements mean different things in different cultures. In Japan and older bureaucracies in Australia salaries are determined by length of services and tend to have a compressed range (Pfeffer, p65; Mercer, Cullen, Egan, Dell, p4). It does not follow that power is equally distributed or compressed. In Japanese society the appearance of equality is important, and references to power and influence are taboo.

A knowledge of the cultural differences is therefore important before making diagnostic assessments of power.

**c. Establish the Patterns of Dependence and Interdependence**

The relationships between the various organisational subdivisions (or members) controls the allocation of resources. Decision makers are often guided by networks within, or external to, an organisation. The diagnosis of interdependence relies on answering four questions:

- i. whose cooperation will be needed to get the appropriate decision and implementation?;
- ii. whose opposition could delay or derail the project?;
- iii. whose: power or status, evaluation or reward, operation of their job; will be affected by the implementation of this project?; and
- iv. who are the friends and allies of the identified influential people?  
(Pfeffer, p68)

Strauss stressed the internal negotiated order between patients, doctors, nurses and other professionals. He also focused on the external contributors to that negotiation. In most ways the models of Pfeffer and Strauss have parallels.

**Part II - Evaluation of the Effectiveness of Political Diagnosis**

The 'war' or military analogy has been brought into the business world with the writings von Klauswitz (strategist for Hitler), Machiavelli (strategist to the Florentine states), and Sun Tzu (oldest known writings on strategy). Often these and other military authors are recommended or quoted in current business management texts (Mackay, 1993; Davis, et al, 1997). All of these authors have an element in their model that raises political awareness: knowledge of 'enemies and friends', the use of surprise, or the gathering of intelligence to drive strategic outcomes.

Political diagnosis provides input to at least four of the Principles of War (Cooperation, Economy of Effort, Surprise, and Concentration of Force) and arguably most of Mintzberg's functions of management (planning, organising, coordinating, staffing, and reporting). (Kotter, 1996; Funnell, 1990, p65)

**Why does the Change Agent need Political Diagnosis?**

Machiavelli says that the 'Establishment' is a balance of factions that constantly squabble to maintain the status quo. In so doing, these sub-divisions shift allegiance and alignment to ensure that power is not concentrated. Knowing who is in these camps and what alignments exist is essential for maintaining 'the fragile power balance'. (in McAlpine, 2000, p 114)

Political diagnosis allows:

- a. determination of supporters and opponents
- b. identification of potential partners to change the status quo
- c. creation of strategies and tactics to deal with risks and threats
- d. determination of effective courses of action
- e. selection of a sponsor or alignment of the guiding coalition

### **What does Political Diagnosis do for the Change Agent?**

In an environment of chronic scarcity, diversity and conflict; the astute change agent develops a direction, builds a support base and manages the relationships between opponents and allies. (Bolman and Deal, 1997, p179) Political diagnosis is a core competency that allows the change agent to develop four skills:

- a. agenda setting (Kotter,1998; Pfeffer,1992)
- b. mapping the political terrain (Pfeffer, 1992, p50; Bolman and Deal, p181)
- c. networking and coalition forming (Kanter, 1983; Kotter,1992; Pfeffer, 1992)
- d. bargaining and negotiating (Bolman and Deal, p186)

With these skills the attainment of the organisational development goal (against opposition) becomes possible. The political diagnosis acts to:

- a. provide an ability to respond to positive and negative occurrences
- b. allow preparation of assets, strategies, allegiances
- c. increase predictability
- d. remove the likelihood of ambush or surprise
- e. provide an opportunity for concealment and deception
- f. establish control and reporting points
- g. provide security
- h. provide for selective targeting of resources to overcome negativity, procrastination, or resistance to change
- i. enable allies and retard opposition

### **How does Political Diagnosis help in Organisational Change?**

Organisational change often involves elements of conflict as one group is advantaged or disadvantaged with respect to another. Conflict can often be resolved by selecting a method of resolution dependent on the levels of:

- a. power imbalances,

- b. powers of intervening agents (including governments and statutory authorities),
- c. the nature of the expected outcome,
- d. the probability of the final decision,
- e. possibilities of delay,
- f. costs,
- g. a desire to settle,
- h. confidentiality, and the
- i. neutrality of external authorities and experts.

In each of these circumstances, thorough diagnosis provides the ability of a person or group to influence the outcomes. In 'Influencing with Integrity' (Laborde, 1987), political analysis and any subsequent actions from the analysis are identified simply as 'tools'. These tools are not moral or amoral, ethical or not; and by so saying, she has removed the ethics argument to one that is around the people who use the tools (an argument that will not be explored here). However, continuing this disassociated view, power is identified as a limited resource that is apportioned to those with the skills to acquire it. Political analysis, therefore, provides the information necessary to acquire and wield that limited power.

The Anglo-Saxon model for change more typically relies on adversarial confrontation to derive a final solution, although mediation and non-adversarial consensus continue to appear in a number of cases. (Ardagh, 1997, p24) The adversarial model uses the rule of law, external control, internal alignment, and the use of positional power.

Wertheim et al (1998, p146) says that by ensuring that common interests are the focus, there is opportunity to resolve the conflict and move to a new position (implement change). Knowing the opposition through a systematic political analysis provides the information about those common interests.

### **Political Analysis Put to Work**

The computer industry has convinced business that 'only by substantial investment in new technology will businesses ever be able to survive or grow (make more profit)'. That belief is not supported by studies on ROI, efficiency or growth. With a 'slightly negative correlation' in return-on-investment figures to profitability, corporations appear to be making poor decisions to spend on computer systems that don't work. The answer lies in the power of external consultancy groups, and the growing power of internal power-blocks to drive decision makers to buy. (Strassman, 1997)

IT specialists are applying their analytical skills to: identify the relevant subunits, determine the relative power ranking of those sub-divisions, and establish the patterns

of dependence and interdependence; so that a focused plan can be determined to drive the agenda.

In a similar way, the State Department of Main Roads is analysing its situation by conducting so-called 'cultural audits' to determine the political alignment of the Regional Directors. The five regional directors have previously had independent and 'God-like' powers that the new management (Director General and Commercial Operations Director) wish to curtail. The centralisation of power and the 'castrating' of the regional positions is being managed through close power analysis by an independent consulting company (Change Project Manager's Report, 2000).

## **Conclusion**

While the substantive nature of change programs need significant effort and energy, the procedural component also needs equality of time and dedication. Knowing 'what to do' is not enough to achieve success. Limited resources, including the spread of power requires the change manager to be able to influence and manoeuvre power-blocks within the organisation, so that he or she can achieve the goal. Analysing the power distribution in the organisations provides the change agent with the opportunity to align sufficient resources to move the organisation to a new place. (Pfeffer, 1994, p340)

Kotter's eight point change model is sequential, and relies on the achievement (and retention) of critical guiding coalition sponsorship. Similarly, Greiner and Schein argue that key sponsorship is essential, but also add six other power relationships that need to be considered to ensure change-project success.

Both anecdotal and empirical evidence (from over 3000 years of achieving objectives against opposition) reinforces the requirement to conduct political analyses. Mastering resources and achieving organisational change requires the cooperation (or acquiescence) of others. Political diagnoses provides the wherewithal to influence and achieve those goals. (Sun Tzu, 3000BC)

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