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Relating Organizational Politics to Social Networks and Individual Performance: An Empirical Study of a Chinese Manufacturer

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Abstract: Although the recognition of organizational and human resource related processes as inherently social has long been recognized and studied, they are often not studied together. Given the social processes that directly and significantly predict the formation of social networks, our understanding of these areas is underdeveloped. Therefore, a research model is proposed in this study to relate organizational politics to social networks and individual-level performance. A total of 78 usable responses were collected from on-site surveys conducted in a small-sized Chinese manufacturer in Shanghai, a subsidiary of Shanghai Precision & Scientific Instrument Co., Ltd (SPSIC). The data was analyzed to examine hypothesized relationships using AMOS 22. Results demonstrated that all hypothesized relationships were supported. This study contributes to the social networks literature as well as provides practical guidance to business managers.

Keywords: Organizational politics, Social network, Performance, Manufacturing industry

1. INTRODUCTION

The recognition of organizational and human resource related processes as inherently social has long been recognized and studied. Broadly, the majority of research in this area can be grouped into two categories: (1) organizational politics and (2) social networks. While organizational politics encompasses the behaviors, perceptions, styles, and motivations that define and dictate work outcomes, social networks includes embeddedness within the many and varied work relationships. In short, organizational politics encompasses the what/how and social networks encompasses the where of organizational positioning. While organizational politics and social networks are strongly related, they are often not studied together. Given the social processes that directly and significantly predict the formation of social networks, our understanding of these areas is seriously underdeveloped. Therefore, a research model is proposed in this study to relate organizational politics to social networks and individual-level performance.

This study is organized as follows. Section 2 describes the theoretical foundation and hypotheses. The research methodology is discussed in Section 3. Section 4 then presents data analysis and discusses results. The last section concludes the contributions of this study. Limitations and future research directions are also addressed in the last section.

2. THEORETICAL DEVELOPMENT AND HYPOTHESES

The study of organizational politics can roughly be grouped into four categories: political behaviors, perceptions of politics, political skill, and political will. Regrettably, the latter two – political skill and political will - have received little attention in spite of being recognized over thirty years ago ^[1]. Whereas political skill refers to the ability of an individual to engage in politically-oriented behaviors in astute and effective ways, political will refers to the motivation to actually use resources to engage in politically-oriented behaviors. Research investigating political skill has found that it positively predicts such outcomes as team performance ^[2] and individual performance ratings ^[3] and is negatively related to emotional labor ^[4] and job tension ^[5].

Political will has four needs as follows: 1) need for achievement is the desire to succeed. Those with a high need for achievement avoid both high- and low-risk situations, seek regular feedback, and prefer to work alone or with other high achievers [6]; 2) need for affiliation refers to the need to have several harmonious relationships with others. They need to feel accepted by others and conform to the social norms of the group [6]; 3) need for power refers to the need for direct others or effect institutional change [6]; and 4) need for autonomy [7] is the degree to which individuals seek to control the causal agents of their lives. In doing this, they may or may not seek to be alone. Political skill is the ability to effectively interact with others in such a way so as to effect the progression of individual goals, organizational goals, or both [8].

Social networks are unique in that it focuses on the antecedents and consequences of the relationships between actors rather the unique characteristics of those actors. Research in this area centers on the centrality of actors with various networks, the functionality of that position to a particular network, and the resources derived from such positioning [9]. Evidence indicates that social networks centrality is positively related to a number of outcomes, including power [10], getting a job [11], performance [12], and turnover [13].

Social networks centrality can be broken down into three different networks: political reputation network, work flow network, and influence network. Political reputation network assesses the degree to which an individual is seen as engaging in political behaviors. Work flow network assesses the degree to which an individual is important to others in facilitating work processes. Influence network assesses the degree to which an individual is viewed by others as being powerful in the workplace. Individual performance refers to an individual's work outcomes evaluated by his/her immediate supervisor.

Based on the above literature, political will, political skill, and three social networks centrality (political reputation network, work flow network, and influence network) are incorporated into a research model (illustrated in Figure 1) to relate organizational politics to social networks and individual-level performance.

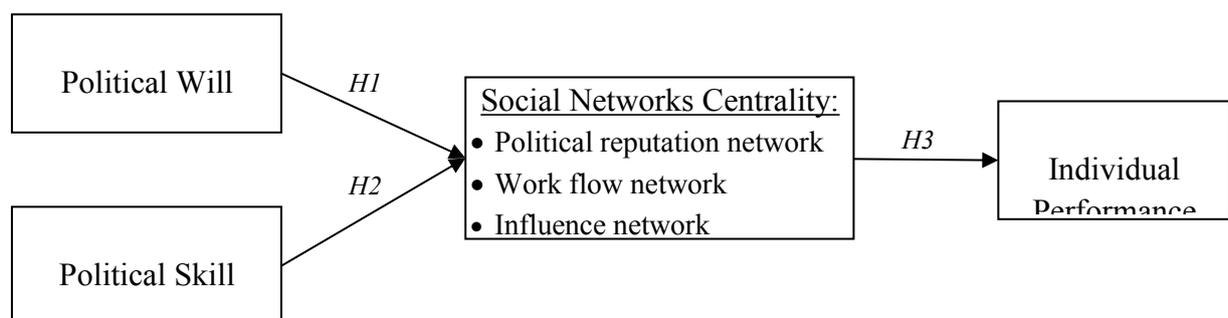


Figure 1. The organizational politics and social networks research model

Furthermore, the following hypotheses are derived to test the relationships proposed in the research model:

Hypothesis 1a: Political will positively affects political reputation network.

Hypothesis 1b: Political will positively affects work flow network.

Hypothesis 1c: Political will positively affects influence network.

Hypothesis 2a: Political skill positively affects political reputation network.

Hypothesis 2b: Political skill positively affects work flow network.

Hypothesis 2c: Political skill positively affects influence network.

Hypothesis 3a: Political reputation network positively affects individual performance.

Hypothesis 3b: Work flow network positively affects individual performance.

Hypothesis 3c: Influence network positively affects individual performance.

3. RESEARCH METHODOLOGY

To measure all constructs in this study adequately, the existent and validated items were adapted from previous research. A pre-testing of measurement items was conducted to improve content validity by a focus group of three business Ph.D. students and three management and MIS faculty members.

Given both organizational politics and social networks that have been studied separately, this study is to advance an integrative study of relating organizational politics to social networks and individual-level performance. Among the main research methods including survey research, case studies, field experiments, and laboratory experiments, survey research is especially well suited to collect data for answering “questions about what, how much, and how many” of the phenomena of interest, examine the phenomena of interest in the natural setting, and in the specified time with no control of both independent and dependent variables [14]. This research model is to examine organizational politics relates to three social networks centrality (political reputation network, work flow network, and influence network) and individual-level performance in a natural organizational setting. In addition, there is no desire to control both independent and dependent variables. Hence, survey research is the most appropriate research method.

Survey research can be carried out by three different data collection methods, namely, mail survey, on-site survey, and telephone survey. Table 1 provides comparisons of the three different data collection methods of survey research [15]-[18].

Table 1. Comparisons of mail survey, on-site survey, telephone survey methods

Variable	Mail Survey	On-site Survey	Telephone Survey
Cost	Moderate	Moderate	Moderate
Response Rate	Low	High	Moderate
Data Quality/Integrity	Average	Excellent	Average
Survey Control	Low	High	Moderate

Considering that this research is to carry out social networks surveys in a natural organizational setting, a high survey response rate (90% or above) is suggested for a valid and adequate social networks studies [19]. For example, at least 450 employees of a company need to participate into this study to complete the survey if the company has a total of 500 employees. Needless to say, neither a medium-sized company nor a big company is suitable or feasible for this research because it is practically impossible to get such a high survey response rate. Therefore, a small company with full top management support is an ideal research partner.

A small-sized Chinese manufacturer in Shanghai was contacted and agreed to participate into the on-site surveys because 1) this small-sized Chinese manufacturer in Shanghai has a total of 85 employees; 2) this company’s CEO is the author’s former colleague; 3) this company’s top management team indicated full support to this research due to potential benefits brought by the social networks analysis.

Among 85 employees, 5 employees were unavailable to take the survey, 1 employee was available but refused to do the survey. Thus, a total of 79 responses were received and 78 were usable for the data analysis. The response rate (91.76%) is higher than the suggested survey response rate (90%) for a valid and adequate social networks study.

4. DATA ANALYSIS AND DISCUSSION

Data analysis was carried out by AMOS 22 for structural equation modeling with the maximum likelihood estimation (MLE) procedure. Structural equation modeling comprises a two-step analysis. First, reliability and validity of a measurement model that represents the adequacy of items to measure constructs are assessed. Second, a structural model illustrating hypothesized relationships among the constructs is assessed.

First, the measurement model for the six latent constructs was assessed by confirmatory factor analysis. In

this study, Chi-square statistic was not used because it varies with the sample size. Therefore, GFI, AGFI, NFI, CFI, and RMSEA were used to measure goodness of fit. References [20] and [21] suggested that, for a good model fit, GFI, NFI, and CFI should be greater than 0.9, AGFI should be greater than 0.8, and RMSEA should be between 0.05 and 0.08. The standardized loadings indicated that all items' loadings are greater than the acceptable level of 0.7 [22]. The model fit indices demonstrate that the measurement model had a good model fit. Specifically, GFI (0.912), AGFI (0.826), NFI (0.925), CFI (0.932), and RMSEA (0.071) were better than their acceptable levels.

Second, nine research hypotheses were tested by the size and the significance of the path coefficients in the structural model. Table 2 depicts the structural model results. Hence, H1a, H1c, H2a, H2c, H3b and H3c were supported at $p < 0.001$ and H1b, H2b, and H3a were supported at $p < 0.05$. Additionally, political will and political skill explained 63.8%, 58.5%, and 61.4% of the variance of three different social networks. 80.3%, 74.5%, and 83.6% of the variance of individual performance was explained by political will, political skill and three different social networks, respectively.

Table 2. Structural model assessment

Hypotheses	Path Coefficients	Results
H1a	0.645**	Strongly Supported
H1b	0.259*	Supported
H1c	0.578**	Strongly Supported
H2a	0.732**	Strongly Supported
H2b	0.383*	Supported
H2c	0.678**	Strongly Supported
H3a	0.375*	Supported
H3b	0.639**	Strongly Supported
H3c	0.537**	Strongly Supported

** $p < 0.001$

* $p < 0.05$

Among the social networks, work flow network is more derived from business process linked relationships. In other words, work flow network is a job-related network. Thus, political will and political skill should have less effect on work flow network than political reputation network and influence network. An employee's individual performance relies more on work flow network and influence network than political reputation network. The empirical results support all proposed relationships in the study.

5. CONCLUSIONS

A couple of theoretical implications can be derived for researchers. First, testing the proposed research model provides a solid starting point to advance integrative studies about organizational politics and social networks. This study contributes to undeveloped theories about how we can relate organizational politics to social networks and individual-level performance. Second, this study indicates that organizational politics affect political reputation network and influence network more than work flow network. Among the three social networks, political reputation network has less effect on individual performance than the other two social networks.

This study can also provide useful guidance to business managers. Since social networks play a critical role in job performance, many companies have applied social networks to improve their social processes' effectiveness. However, business managers still separately focus on either organizational politics or social networks. Hence, this research incorporates both organizational politics and social networks to predict individual-level performance. Meanwhile, the empirical results provide insights about how an employees' performance can be improved by relating organizational politics to a specific social network.

This research is a preliminary study to improve our understanding of how organizational politics can be related to social networks and individual-level performance. Future research could extend individual

performance to team performance or project performance. Another future research could perform a comparative study from different perspectives such as companies in different industries, different countries, and etc.

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