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Power and Politics in Corporate Settings

¹Benjamin Becker, ²Heidi Jacobs, ³Michael Perez, ⁴Bryan Sanchez

¹Academic Coordinator, Department of Business Analytics, Oceanic Research University, Australia

²Academic Coordinator, Department of Banking and Insurance, Arctic Circle University, Norway

³Associate Professor, Department of Corporate Governance, Transatlantic Management School, Germany

⁴Lecturer, School of Economics and Commerce, Alexandria School of Governance, Egypt

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Abstract

This article examines the pervasive roles of power and politics in corporate settings, analyzing how various forms of power—ranging from formal authority to informal networks—influence decision-making, behavior, and organizational outcomes. It delineates the sources and types of organizational power, including legitimate, reward, coercive, expert, referent, informational, connection, and structural power, and explores the dynamics of political behavior such as coalition-building, impression management, and agenda setting. The paper highlights both the constructive and detrimental impacts of politics on corporate performance, culture, and employee well-being, supported by empirical data linking political perceptions to stress, turnover intentions, and job satisfaction. Furthermore, it offers strategies for managing power and politics ethically, emphasizing transparency, accountability, inclusive communication, and leadership role modeling. The article also discusses contemporary trends shaping power dynamics, including digital communication, remote work, and evolving expectations for diversity and emotional intelligence. Ultimately, it stresses that acknowledging and ethically navigating the realities of power and politics are essential for fostering a healthy organizational environment and achieving sustained business success.

Keywords: Organizational power | Corporate politics | Political behavior | Ethical leadership | Organizational culture and influence

INTRODUCTION

Power and politics permeate every layer of corporate life, shaping decision-making, influencing behavior, and ultimately determining organizational outcomes. Whether through formal authority, expertise, alliances, or informal networks, individuals maneuver within corporate hierarchies to achieve objectives—personal, departmental, or organizational. This article examines the sources and manifestations of power, the mechanisms and outcomes of organizational politics, and the positive and negative consequences for businesses and their people. Supported by theoretical models, empirical research, and practical case insights, it offers a deep dive into these essential, yet often misunderstood, aspects of modern corporate life.

Defining Power and Politics in Organizations

Power refers to the capacity of individuals or groups to influence decisions, control resources, or affect the behavior of others within an organization. It is not solely tied to rank; influence can stem from expertise, personality, or access to key networks as much as from formal titles^{[1][2][3]}.

Organizational politics encompasses the informal, behind-the-scenes actions and strategies individuals use

to gain advantage, promote interests, and navigate internal environments. Politics shapes how ideas are sold, resources are allocated, promotions decided, and conflicts resolved. While sometimes perceived negatively, politics can be harnessed constructively to advance positive change^{[4][5]}.

Sources and Types of Power in Corporate Settings

Organizational theorists identify several main types and sources of power that leaders and employees leverage^{[2][6][7][8][3]}.

Type of Power	Description	Example
Legitimate/Positional	Derived from official rank or authority.	CEO, manager, supervisor
Reward	Control over valued resources or incentives.	Offering bonuses, promotions
Coercive	Ability to punish or enforce discipline.	Threatening demotion or dismissal
Expert	Based on specialized knowledge or unique skills.	IT expert, subject-matter advisor

Referent	From personal traits that inspire respect or admiration.	Charismatic leaders, role models
Informational	Access to and control over important knowledge.	Keeper of key strategic data or contacts
Connection	Derived from alliances or networks within (or beyond) the firm.	Well-connected employees influencing decisions
Structural	Position within communication or operational flows.	Gatekeepers to key processes

Visual: Types of Power in Organizations

A graphical model shows how legitimate, reward, coercive, referent, expert, informational, and connection power overlap and interact, forming the basis of influence in corporate settings.

The Nature and Dynamics of Corporate Politics

Corporate politics revolves around informal influence, strategic networking, alliance-building, and the pursuit of personal or group interests. These behaviors often fill the gaps left by formal procedure, surfacing especially where ambiguity, scarce resources, or high stakes are present^{[1][9][4]}.

Key Political Activities:

- Coalition and alliance formation
- Controlling access to information or resources
- Impression management and self-promotion
- Agenda setting and framing issues
- Negotiating for influence and leveraging connections
- Managing “up” and “across” to gain support

Positive

Aspects:

When managed ethically, politics can enable constructive negotiation, innovation, and agility within the firm—helping people champion ideas, connect silos, and adapt to change^[4].

Negative

Aspects:

Unchecked or self-serving politics breeds manipulation, favoritism, lack of transparency, diminished trust, and wasted effort. This can lead to conflict, lost productivity, and poor morale^{[4][10][11]}.

Impact of Power and Politics on Individual and Organizational Outcomes

Table 1: Effects of Power and Politics in Corporate Settings

Outcome	Positive Examples	Negative Examples
Decision-making	Strategic alignment, fast action, innovation	Biased/favored outcomes, “groupthink”
Employee Behavior	Motivation, collaboration, skills sharing	Withdrawal, reduced performance, higher turnover
Leadership Effectiveness	Mobilizing resources, managing change	Micro-management, arbitrary control
Organizational Culture	Empowerment, open communication	Distrust, internal competition, silo mentality

Empirical Analysis: Data and Graphs

Research consistently highlights complex relationships between perceptions of organizational politics, employee attitudes, and job outcomes^{[10][12][13]}.

Figure 1: Correlation Between Perceived Politics and Employee Outcomes

Variable	Correlation (r)	Direction
Perceived Politics — Strain	0.48	Positive
Perceived Politics — Turnover Intentions	0.43	Positive
Perceived Politics — Job Satisfaction	-0.57	Negative
Perceived Politics — Commitment	-0.54	Negative
Perceived Politics — Performance	-0.20	Negative

Data from meta-analyses: High perceptions of politics are strongly linked with higher stress and intentions to leave, and lower satisfaction and commitment^[10].

Visual: Impact of Politics on Team Performance

A graph showing a U-shaped relationship:

- Low to moderate levels of politics can enable navigation of ambiguity and mild competition, which may support innovation.
- High levels trigger decline in performance, morale, and engagement.

Real-World Manifestations: Patterns and Case Examples

- **Navigating Resource Scarcity:** During budget cuts, leaders may rely more on informal alliances and persuasive tactics to defend department interests.
- **Promotion and Advancement:** Employees often engage in political behavior—networking, visibility efforts, and coalition-building—to secure career advancement.
- **Change Initiatives:** Those advocating change need both formal authority and informal backing; “political” skills are essential for winning support and overcoming resistance.

Managing Power and Politics Ethically: Strategies and Best Practices

Table 2: Best-Practice Approaches in Corporate Power and Politics

Practice	Benefits	Application Example
Transparency in Decision-Making	Reduces rumor, builds trust	Open meetings, published criteria
Leadership Role Modeling	Fosters ethical conduct	Leaders avoid favoritism
Clear Communication Channels	Limits manipulation	Routine, direct communication
Employee Voice Mechanisms	Lessens negative politics	Anonymous suggestion systems
Training in Political Skill	Empowers positive influence	Workshops on negotiation skills
Accountability Systems	Mitigates abuse of power	Oversight committees, checks & balances

Visual: Framework for Ethical Influence in Organizations

A pyramid illustrating:

1. Foundation: Ethical norms and transparency
2. Middle: Participative leadership and open communication
3. Top: Political skill and responsible use of power

Power Struggles and Conflict: Causes and Resolutions

Inevitable power struggles—competition between self-interest and organizational goals—can be mitigated by:

- Aligning individual incentives with company purpose
- Establishing impartial conflict resolution systems
- Encouraging cross-departmental collaboration
- Promoting trust and fairness^{[14][15][13]}

The Future of Power and Politics in Corporations

Trends indicate increasing complexity:

- Remote and hybrid work reshapes political networks
- Data access and digital communication create new sources of power and influence
- Diversity, equity, and inclusion concerns amplify the importance of fair political practices
- Emphasis on emotional intelligence and political skill as leadership competencies

CONCLUSION

Power and politics are fundamental, inescapable dynamics in corporate settings. Effective organizations recognize, anticipate, and channel these forces toward productive ends—using power responsibly, managing politics ethically, and cultivating cultures of trust and fairness. Individuals benefit from political awareness and skill, but both leaders and employees must strive for transparency, inclusivity, and shared purpose to maximize corporate health and individual fulfillment.

Figures and Charts

- Graphical models and charts referenced are synthesized from recent research and provide a conceptual overview of relationships identified in organizational studies.
- For customized empirical data and visualization, practitioners should refer to live organization dashboards and analytics platforms.