

ROTTERDAM SCHOOL OF MANAGEMENT, ERASMUS UNIVERSITY

▶ **International regulatory turbulence: strategies for success**

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## Introduction

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At the time of writing, the financial crisis dominates the news media along with reports on how to save the Euro. In the main, the focus of economists has been on how nations can reduce their financial deficits and what policies the governments of Europe should implement. However, often ignored is the fact that the financial health of a nation relates very closely to its competitiveness on the global stage and in how the firms that contribute so much to national economies are managed.

In this issue of *RSM Insight*, you will find fresh and practical perspectives on the effective management of firms. At the global firm level, Jatinder Sidhu, *et al.* show how companies can manage the sharing of knowledge among internationally dispersed teams, while Frank Wijen and Rob van Tulder provide strategies for coping with changing environmental regulations. At a local level, Lonneke Roza, *et al.* explain the value of corporate community initiatives.

Finally, did you know that certain types of body posture and other physical inputs can affect our decision-making processes, and that these insights may help improve marketing performance? How? Read the article by Bram Van den Bergh, *et al.* to find out.

I do hope that you find the variety of themes presented in these articles and the insights they offer of value. Enjoy!

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# International regulatory turbulence: strategies for success

by Frank Wijen and Rob van Tulder

Multinational enterprises face a great variance of environmental regulations in the countries in which they operate. How best to confront this challenge? In our research, we set out to develop and illustrate a conceptual framework for understanding the problem and suggest appropriate strategies.

more lenient. In countries with lenient regulatory regimes, the likelihood of fluctuation tends to be relatively high (there are notable exceptions, such as China). In any case, stringency can go both ways: rules may be relaxed, but they can also be made stricter.

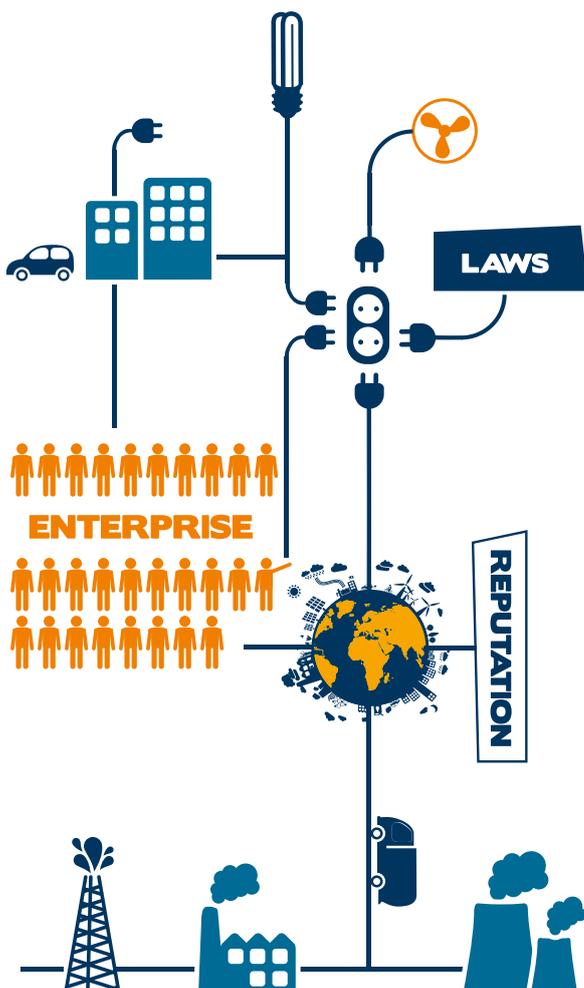
So how should MNEs operating in both strict and lenient countries deal with this situation? One extreme is to go completely local, adapting each subsidiary to local circumstances. The other extreme is to establish one single, standardised way of operating across the entire organisation. In our analysis, the direction an organisation takes depends not only on regulatory turbulence but also on *market interdependence*.

As globalisation evolves, MNEs are increasingly turning to global supply chains. That means activities are split across various countries, whereby vertical specialisations are developed. For example, components manufactured in China may be assembled in Mexico and then shipped to the USA for final production. By distributing operations in this way, significant market interdependence is created across the supply chain.

Workers in Mexico cannot assemble the products unless the components meet specifications exactly. This kind of standardisation means the whole supply chain becomes deeply interconnected.

Multinational enterprises (MNEs) operate in a host of different countries, each of which has its own set of environmental regulations. As a result, they are inclined to structure their operations differently from one country to the next. The more variance there is, the greater the challenge to not only comply with these regulations, but also to benefit from firm-specific advantages – such as superior technology or marketing skills – across these countries. However, what is the best approach?

To capture the variety of regulations companies face, we developed the concept of *regulatory turbulence*. It has two dimensions: the stringency of environmental regulations and the fluctuation in these rules and regulations over time. In one corner of the matrix are countries like Germany, where environmental regulations are relatively strict and there is little fluctuation over time. In the opposite corner are countries like Nigeria, which are



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If there are any changes to operations in one country, they directly affect operations elsewhere. This is one important source of interdependence.

Another source of interdependence relates to regulation. Some companies trade on their brand image and corporate reputation. Thanks to new communication technologies, news travels very quickly. Thirty years ago, news of damaging incidents may have remained local. Today that is no longer the case. While an organisation responsible for an oil spill in Nigeria may not be condemned in court, news of the incident will spread around the world in a matter of hours. The point here is that an MNE may have many operations in different locations and each one of them can impact its image worldwide. Therefore, reputation is another source of interdependence.

If reputation is a source of competitive advantage, MNEs need to be careful not to damage it. Environmental groups keep a close eye on prominent MNEs and any slip-up will attract potentially reputation-damaging attention. So, although it may be tempting to take advantage of lenient regulatory regimes, it is more prudent to go beyond the minimum required and not run the risk of being labelled a “dirty company”. Once an MNE has suffered damage to its reputation, it inevitably takes proactive measures to

avoid repetition in the future. However, smart MNEs take measures to ensure that such incidents will not happen.

Is it difficult to make an economic case for voluntarily adopting stricter environmental measures? It depends. The more immediate short-term shareholder pressure an organisation faces and the more the management mindset is in a rut, the more likely companies are to stick to whatever they were doing. Taking a long-term view may require managers to revise corporate routines. While this is challenging, and could damage short-term performance, there are plenty of reasons why MNEs may want to improve current procedures.

strategy to consider and benefit from hypothetical situations.

For example, imagine a government suddenly tightened up its regulatory standards. As a manager, what would you do if present emissions had to be cut by 50 per cent? How would production processes change to meet this? It could be a difficult challenge, requiring some major adjustments to processes. However, if an MNE takes the measures needed to succeed, even in the absence of actual regulatory pressure, not only would emissions be lower, but resource efficiency would be improved and profitability boosted.

It is important to consider relevant contingencies. Does the company

*“If changes to environmental regulations cannot be forecast, it is better for multinationals to err on the side of the caution.”*

It is important to realise that there are often hidden opportunities in every challenge. For example, a proactive company may be able to squeeze more out of the natural resources it uses if it finds that pollution is a source of inefficiency. Companies tend to perpetuate their existing practices as long as they have no reason to change them. However, it is a smart

have a high or low degree of market interdependence? If high, the company is better off using standardised environmental practices. In what kind of countries does it operate? If there is significant regulatory turbulence, then an MNE should tighten its standards or “localise” practices in countries with highly divergent environmental regimes. ▶

# International regulatory turbulence: strategies for success (continued)

by Frank Wijen and Rob van Tulder

It is important to think ahead. Smart management is forward-thinking management. Many businesses tend to focus only on the present. Obviously, short-term survival is important, but it is always better to look beyond the immediate horizon and try to anticipate developments. Even in countries with lenient regulations, scenarios change quite rapidly. Practices tolerated only two or three years ago are being prohibited. As an example, China used



*“Smart multinationals look beyond the issues of the day and embed environmental strategy into their international competitive strategy.”*

to be a country where an enterprise could do nearly anything as long as it contributed to the local economy, but that is changing and what is permissible today might not be tolerated tomorrow.

Situations can change rapidly and move from one extreme to another. If changes to environmental regulations cannot be forecast, it is better for MNEs to err on the side of caution. That means implementing relatively strict standards, rather than being on the lenient side, and risk exclusion from certain markets. In many sectors, environmental measures do not have a large impact on cost prices. Indeed, whilst this may not be true in the chemicals, steel,

and pulp and paper industries, for many others environmentally relevant measures represent only a fraction of the total cost price. Moreover, there is a growing business case for clean production.

If taking proactive environmental measures does not affect an MNE's competitive position, then it is advantageous to do so since there is no direct downside. Adopting a tone of 'we would love to but can't without undermining our competitive position' is typically a spurious argument. Expenditure on such measures may only represent a few per cent of the total cost price and the payoff – whether

in terms of society legitimacy, employee morale, or access to markets – may be quite considerable. Therefore, MNEs should consider the whole picture, not just direct out-of-pocket expenses.

Many companies focus on financial costs and do not consider the eventual benefits of taking a proactive stance in relation to environmental considerations. However, smart multinationals look beyond the issues of the day. Instead, they embed environmental strategy into their international competitive strategy and consequently are able to pilot their way safely through regulatory turbulence. ■

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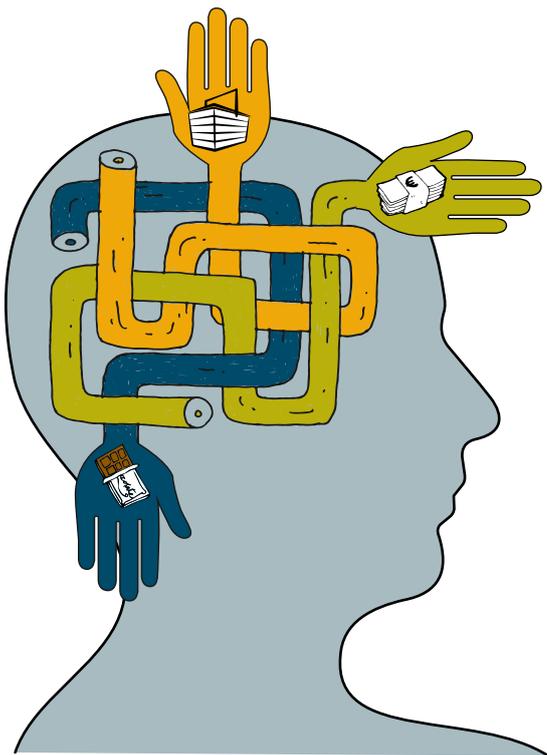
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*This article is based on the research paper 'Integrating Environmental and International Strategies in a World of Regulatory Turbulence', which was published in California Management Review, Vol 53, No 4, (Summer 2011).*

# Embodied myopia and purchasing behaviour

by Bram Van den Bergh, Julien Schmitt and Luk Warlop

**In conventional thinking, the mind controls the body. Our brains decide something and the body follows suit. However, in many ways this turns out not to be the case. Indeed, our research has found that even simple postures and gestures may be enough to influence our purchasing behaviour.**



How our body influences our thought process, our attitudes, our decision-making processes is the science of *embodied cognition*. Using this approach, we see the body as an input system, feeding signals to the brain, influencing our actions. These insights have wide-ranging implications for understanding consumer behaviour.

The pioneering American psychologist and philosopher William James (1842-1910) was perhaps the first scientist to observe this phenomenon. He wrote: ‘we do not run because we are afraid when we see a bear, we are afraid because we run’. In other words, first we have the physical manifestations, the bodily experiences, which are signalled to the

brain. Only then will we feel a certain kind of emotion. We feel sad because we cry; we are afraid because we tremble – and not the other way around. The brain reacts to the physical responses. Since James’ initial insight that bodily experiences affect mental processes, there have been many observations demonstrating how this phenomenon works.

In our research, we have studied how certain kinds of postures and other physical inputs affect one’s decision-making processes in the context of purchasing decisions and impulsive consumption. In particular, we looked into what effect the position of a person’s arms has on consumption. We wanted to see whether the way a person flexes their arms, either drawing something toward the body or pushing it away, affects their purchasing decisions. We bring things close to our bodies that we want (*approach motivation*) and push things away that we don’t want (*avoidance motivation*).

We conducted an experiment with consumers, comparing those carrying shopping baskets versus those pushing shopping trolleys. By carrying a shopping basket in the crook of your elbow, with your arm flexed towards the body, you are engaged in approach motivation. When shopping with a trolley, you are continually pushing it in front of you, a signal of avoidance ▶

*“Could these simple movements affect the kinds of products that a person buys when shopping? Do these gestures influence the way we think? We discovered that yes, in many cases they do.”*

# Embodied myopia and purchasing behaviour (continued)

by Bram Van den Bergh, Julien Schmitt and Luk Warlop

motivation. We asked: could these simple movements affect the kinds of products that a person buys when shopping? Do these gestures influence the way we think? We discovered that yes, in many cases they do.

We followed shoppers while they were making purchasing decisions, noting how long they stayed in the store, what kind of products they bought, how many they bought, and so on. What we were particularly interested in was their likelihood to purchase so-called *vice products*, sweets, chocolate bars, chewing gum, for example, displayed in the checkout line.

We found that people with a shopping basket are much more likely to buy vice products while waiting in the checkout line than those with carts. Therefore, this confirms our prediction: engaging in approach movements leads to buying vice products. Of course, there may be other factors involved: the basket is smaller; the shopper is only making a few purchases and has more opportunity to act impulsively.

There are a number of differences between these two groups, but even if we control for them, the effect is still there: basket shoppers are more likely to buy vice products than cart shoppers. It would seem that simply flexing one's arm towards the body creates a desire for chocolate and other products that offer immediate gratification.

In another study, we removed the baskets and trolleys to see if arm posture alone induces the effect. We had subjects sitting at a table with either their hand under it, pushing lightly upwards, or on top and pushing lightly downwards. Subjects had to choose between hedonic and utilitarian goods or between immediate and delayed rewards.

*“People with a shopping basket are much more likely to buy ‘vice’ products while waiting in the checkout line than those with carts.”*

They were asked questions such as: would you prefer an apartment with a great view or one close to your work? Another example: would you prefer €16 tomorrow or €30 in 35 days? Again, we discovered that flexing one's arm, rather than extending it, makes people more likely to pick the hedonistic reward rather than the delayed one. Arm flexion induces what we called *embodied myopia*. People become short-sighted, preferring immediate gratification and disregarding long-term consequences.

Why is this the case? We know from neuroscience studies that the same area of our brain processes rewards; we have what you might call a general

reward system. We have learned that if you stimulate desire in one domain, people may seek gratification in completely unrelated areas: in previous studies, heterosexual male subjects were exposed to sexual cues that increase libido. It was found that men exposed to these cues were likely to opt for instant gratification, preferring one euro today instead of two euros

tomorrow; one soft drink now instead of two tomorrow, and so on. The sexual cues stimulated their reward centre, spurring them to seek and approach all kinds of gratifying rewards.

However, it must be added that this behaviour is not universal; it occurs only in people who have a sensitive reward system. We can test for this by asking certain questions. For example: does the good prospect of obtaining money motivate you strongly to do some things? Do you often meet people that you find physically attractive? Do you often do things in order to receive praise? Are there a large number of objects or sensations that remind you of

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pleasant events? People answering yes to such questions are likely to have a more sensitive reward system. What we find is that arm flexion especially affects people who respond to rewards with approach behaviour; it doesn't occur with everyone.

At this point, we might ask: what is going on here? Why does arm flexion lead to approach motivation? It has been argued that a lifetime of experience is needed in which these motor actions are associated with the consumption of desired stimuli for this phenomenon to arise. If someone paralyzed at birth were later in life able to move their arms, they would probably not be prone to these effects.

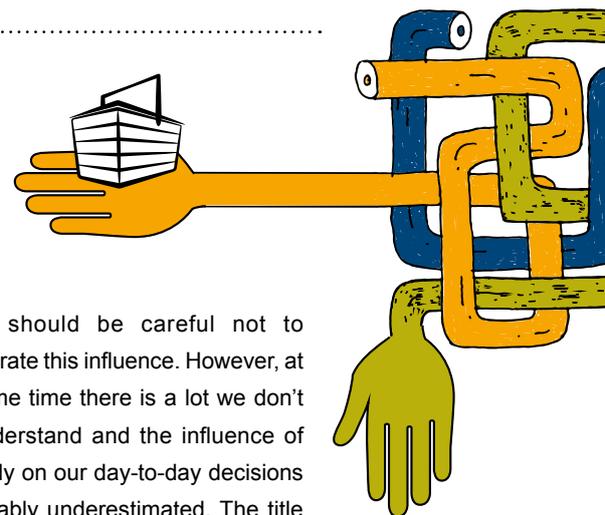
We know, for example, that leg flexion does not yield the same effect as arm flexion, due to the absence of a learning process. After all, we don't eat with our feet. Likewise, we see a difference between the dominant and non-dominant arm. The dominant arm we use much more frequently, hence it has undergone a more significant learning process. Indeed, it is only when the dominant arm is flexed that we see these myopic preferences.

It is therefore probably not an accident that when playing a slot machine in a casino, you have to pull the lever towards you rather than push it away, and why the lever is on the right side of the machine, since that is the

dominant arm for most of us. Our insights into embodied cognition suggest that the physical movement of pulling the lever will induce short-term thinking: you concentrate on the present, on instant gratification (the thrill of possibly winning), not of the bills to pay next month and whether you can actually afford to keep feeding coins into the machine.

Recent market research has also shown the people who use iPads and other tablets tend to spend more when shopping online. If you are holding a tablet, you are probably flexing your arm, whereas on a laptop or a desktop PC you are more likely to extend your arm. Could this affect your online purchasing behaviour? We don't know for sure, but it is a real possibility. Embodied cognition may also play a role in the huge popularity of game consoles, such as the Wii or Xbox Kinect, which players control by bodily actions.

We tend to think of our bodies as irrelevant to our thought processes; that they are simply output mechanisms. Research, such as ours, into embodied cognition demonstrates that body movements, gestures and posture have profound influences on our decision-making processes. In any situation where you think the body is completely irrelevant, you should probably think again.



We should be careful not to exaggerate this influence. However, at the same time there is a lot we don't yet understand and the influence of our body on our day-to-day decisions is probably underestimated. The title of a recent story in *Wired* may not be so far fetched after all: 'Nintendo is hacking our brains.' ■

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*This article is based on the research paper Embodied Myopia, which was published in the Journal of Marketing Research, Vol XLVIII (December 2011), 1033-1044.*

# The rewards of corporate giving

By Lonneke Roza, Lucas Meijs and Peeter Verlegh

**When conducted through a well-designed programme, corporate community involvement, such as employee volunteering, will benefit both the company and volunteers. In particular, these programmes can be useful to marketing and human resource managers.**

The attention given to the subject of Corporate Social Responsibility (CSR) in the last few decades by researchers and practitioners means that many issues central to it, sustainability and business ethics, for example, are generally understood by managers today. However, corporate community involvement (CCI), a form of CSR, has received less attention. As an example of collaboration between businesses and non-profit organisations, CCI is concerned with investing in and improving the broader community through social programmes for which company employees can volunteer.

## Heart of the matter

Current literature makes certain assumptions: CCI programmes are a win-win proposition for companies and non-profit organisations, with accompanying benefits to both parties. From the perspective of non-profits, these programmes can increase their pool of volunteers, attract more financial resources and add to their knowledge

and expertise, as well as improve credibility and public awareness.

For businesses, such collaborations can produce positive reputational and marketing effects, together with human resource advantages.

Deciding which elements to include in a CCI programme will depend very much on the expected goals. A number of key elements are common to most designs: *money* (financial support); *means* (physical means provided by companies to non-profits); *manpower* (employee volunteers); *mass* (critical mass of participating companies will attract other donors); and *media* (for example, cause-related marketing).

CCI programmes can play a significant role in addressing key challenges faced by human resource managers, leading to direct benefits to a company's bottom-line. For instance, within human resource management (HRM), community involvement policies can have a positive influence on: skills development, employee morale, organisational commitment and loyalty,

retention and recruitment. Furthermore, motivated employees can even be seen as a competitive advantage.

As no substantial quantitative research on the effects of corporate volunteering had been done and only anecdotal evidence was available, an underlying reason was provided for us to investigate this area. Therefore, in 2010 we conducted a study that focused on key HRM objectives such as personal fulfilment and employer loyalty.

## Analysing key parameters

To measure HRM effects on corporate volunteering, we used data (collected between 2006 and 2009) from Fortis Foundation Netherlands, a charity that supports youth programmes, and from Samen Voor Zeist, an intermediary that matches businesses with non-profit organisations for social projects.

Crucial data was derived from the 1,257 responses to questionnaires we sent to project volunteers. The questionnaires contained the following key variables, which we felt would typically reflect the effects such activity would have on company volunteers, based on their perceived aspirations and goals:

1. Personal fulfilment: individual aspirations and motivation.
2. Personal satisfaction: personal pride and satisfaction through helping others.



3. Personal development: improvement in personal and social skills.
4. Group effect: increased internal contacts, awareness and camaraderie.
5. Broadening horizons: widening the interest span of volunteers to include non-profits.
6. Interest in beneficiaries: increased appreciation for beneficiaries of non-profits.
7. Fun: volunteer work is enjoyable.
8. Loyalty: appreciation, satisfaction and pride towards company.
9. Visibility: increased media attention and exposure, and improved company image and reputation.

Notably, while some of these effects (which we have validated) feature in previously published literature, our analysis includes four new variables: *personal fulfilment*, *personal satisfaction*, *broadening horizons* and *interest in beneficiaries*.

This is the first indication that broadening horizons is a direct result of volunteering, and that employees can achieve personal fulfilment through participation in a CCI programme. In addition, we discovered that personal satisfaction derived from volunteering through the workplace could eventually influence organisational performance.

The time spent by volunteers on project activities was also tracked

because we suspected that this factor might be directly proportional to the resulting effects.

In general, the results of our analysis were all positive, confirming that corporate volunteering can affect the key variables. This is in line with indications from earlier researchers.

In particular, on a scale from 1-7, the variable *fun* gets the highest score (6.18), followed by *loyalty* (5.92). The lowest scores are for the variables *interest in beneficiaries* (4.83) and *group effect* (4.61). Although correlation matrices do not show the causal relationship between two variables, it is likely that employees who participate in such programmes believe these activities are fun, and that this in turn engenders company loyalty.

Our study confirms that a CCI programme affects both employer and employee. Looking beyond the general effects, we analysed which elements are needed in a corporate community programme in order to reach preset goals.

From the HRM perspective, our research shows that selective programme elements, such as personal satisfaction and development, group effect and visibility, help increase the probability of employee retention through increased company loyalty and personal fulfilment. Our study also highlights the importance of setting

realistic and achievable programme goals, and of making programme results visible for volunteers to see what they have achieved.

Of course, our work is far from over yet. For example, the characteristics of participating businesses, volunteers, project activities and non-profit organisations might influence results, and consequently the design of the programme. Furthermore, as the effects these programmes have on businesses become increasingly clear, it is questionable if the same is true for participating non-profits and their beneficiaries. Both assertions need investigating, and our findings refined. ■

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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

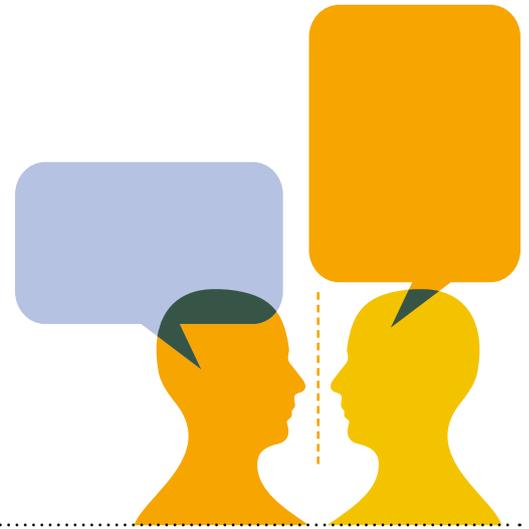
Organisational politics is the rivalry between competing interest groups or individuals for power, authority and leadership. The means often used include: influence attempts, power tactics, informal behaviour, and concealing one's motives. This can result in: self-serving behaviour, acting against the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

# Managing organisational politics for effective knowledge processes (continued)

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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