Introduction

As economies and firm competitive advantage are increasingly based on knowledge rather than materials, firms are moving away from traditional modes of organization in order to meet new demands for competitiveness, flexibility, speed, and novelty (Child and McGrath, 2001; Kellogg, Orlikowski, and Yates, 2006; Volberda, 1996). As part of this broader paradigm shift, an increasing number of firms have outsourced and offshored many of their in-house activities – located them to a wholly owned company or independent service provider in another country – both in order to save costs and, increasingly, to acquire new skills and capabilities not available in-house (e.g., Carmel, 1999; Lewin and Peeters, 2006). Its potential benefits notwithstanding, such disaggregation of the value chain adds an additional layer of management complexity because of the need to manage and coordinate a complex web of knowledge flows and interdependent tasks being performed by distributed teams, marked by differences in geography, skills, norms, language, culture, and interests.

Prior work has provided valuable insights into managing knowledge processes – the access, transfer, dissemination, sharing, and integration of knowledge among dispersed organizational teams (e.g., Argote et al., 2003; Gupta and Govindarajan, 2000). Scholars have emphasized the need for creating both technical compatibility (Ford et al., 2003; Montoya-Weiss et al., 2001; Oshri et al., 2008) and cultural compatibility (D’Adderio, 2001; Fiol and Connor, 2005; Tajfel, 1981) across boundaries in disaggregated value chains and dispersed
social architectures. There has been less emphasis, however, on the political aspects of managing knowledge processes or what Carlile (2004: 55) describes as a “political approach that acknowledges how different interests impede knowledge-sharing” and impact the willingness to share knowledge. For instance, while measures to establish technical or cultural compatibility can improve management of knowledge processes, managers also need to focus on whose interests are served and who stands to gain and lose as a result (Dörrenbächer and Geppert, 2006), and, what is “at stake” for organizational participants when members engage in cross-boundary knowledge exchange and coordination (Carlile, 2002; Kellogg et al., 2006; Levina, 2001).

Inquiry into organizational politics and its impact on firm performance has a long tradition in the organization and strategy literatures (Cyert and March, 1963; Eisenhardt and Zbaracki, 1992; Vredenburgh and Maurer, 1984; Zahra, 1987). Yet most contemporary studies of organizations lack a “systematic and in-depth discussion about the role of organizational power, politics, conflicts, and resistance” (Dörrenbächer and Geppert, 2006: 252; Doz and Prahalad, 1991; Hardy and Clegg, 1996). Indeed, few scholars have focused on the increasing importance of power, politics, and conflicts in newly emerging organizational forms and learning processes or systematically addressed how incompatible interests, power differentials, and political agendas impact knowledge flows in dispersed social architectures (Buchanan, 2008; Dörrenbächer and Geppert, 2006; Lawrence et al., 2005). In particular, issues pertaining to the effect of the dilemma between individual and collective (organizational) interests (Cabrera and Cabrera, 2002), power and status differentials among distributed team members, and various political agendas on knowledge processes have received limited scrutiny in the context of offshoring – a recent but increasingly prevalent form of organizing (see Metiu [2006] for an exception).

Yet, the possibility of political tensions, power struggles, and even outright conflicts impacting knowledge processes because of the emergence of local imperatives and interests is critical when organizational units that perform complementary and interdependent activities are situated in different locations. This is in line with Easterby-Smith et al.’s (2000: 793) observation that we need to view knowledge processes “in light of the inherent conflicts between shareholders’ goals, economic pressure, institutionalized professional interest, and political agendas.”
Managing globally disaggregated teams

By articulating the critical part played by organizational politics in influencing knowledge flows across distributed (onshore and offshore) groups, we aspire to enrich the literature on managing globally distributed teams that are engaged in high-value activities (Carmel, 1999; Oshri et al., 2008; Sidhu and Volberda, 2010). More specifically, we argue 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 round localized goals.

We suggest that the successful offshoring of high-value functions is likely to depend on the recognition and skilful management of political dynamics between onshore and offshore personnel and fostering political “alignment” – internal consistency in the logic of action or means-end behavior (Bacharach and Lawler, 1998) – to manage collaborative knowledge processes. This chapter also contributes to the broader scholarly debate on the exercise of power and politics in organizations. While some recent work has highlighted the negative and dysfunctional aspects of politics, in line with the view that political processes also serve a functional purpose in organizations (cf. Bouquet and Birkinshaw, 2008; Buchanan, 2008; Dörrenbächer and Geppert, 2006; Eisenhardt and Zbaracki, 1992), we argue that political contests between onshore and offshore teams may also foster cooperation and enhance decision quality. Finally, we aim to guide future research by providing suggestions for studying the antecedents and outcomes of organizational politics in globally distributed teams.

Knowledge processes and organizational politics in distributed teams

Scholars widely agree that in increasingly competitive and dynamic environments, effective management of knowledge processes across various organizational boundaries, both external and internal is what drives competitive advantage for many organizations (Davenport and Prusak, 1998; Gupta and Govindarajan, 2000; Kogut and Zander, 1992; Song, Almeida, and Wu, 2003). Knowledge management refers to processes and practices used by organizations to identify, create, represent, share, and distribute knowledge, skills, and expertise for improved performance, competitive advantage, innovation, and
productivity (Mudambi, 2002). While organizations need to span both types of boundaries to access and integrate knowledge, our focus here is on managing internal knowledge (Argote et al., 2003), in particular, among globally distributed teams, such as those that are located centrally (onshore) and remotely (offshore).

The underlying dynamics of distributed teams clearly differ from those of co-located teams (Hinds and Bailey, 2003; McDonough et al., 2001). Globally distributed teams represent a new organizational form that has emerged in conjunction with the globalization of socio-economic processes. Such teams have replaced the traditional single-site hierarchy for various reasons. For instance, due to competitive pressures that force them to focus on their core activities, companies in developed nations have outsourced or offshored parts of their IT services and business processes to developing nations for saving costs and/or acquiring new skills not locally available (e.g., Carmel and Agarwal, 2002). This has led to new challenges in managing knowledge processes among organizational members located at offshore and onshore sites during different stages of product and service lifecycles.

Given that knowledge has various attributes, such as context-specificity and observability (e.g., Contractor and Ra, 2002), research on globally distributed teams has identified several factors that make managing knowledge processes particularly challenging in the context of distributed teams performing interdependent tasks (Cramton and Hinds, 2005; Krishna et al., 2004; Watson et al., 1993). First, the diversity of local contexts and working groups (Jehn et al., 1999) may exacerbate the “stickiness” of knowledge (Szulanski, 1996), hampering the transfer of contextual or “mutual” knowledge – “knowledge that the communicating parties share in common and they know they share” (Cramton, 2001: 246). Second, remote counterparts often adopt unique local routines for working, training, and learning (Desouza and Evaristo, 2004) that may obstruct the development of shared understandings among remote teams. Third, differences in skills, expertise, and technical infrastructure and methodologies further raise the barriers for managing knowledge processes between remote sites. And finally, time-zone differences reduce the window for real time interactions (Boland and Citurs, 2001), thus limiting opportunities for remote team members to discuss, debate, and explain diverse opinions and perspectives.
The literature on addressing these challenges to managing knowledge processes across distributed teams can be understood in terms of three primary perspectives\(^1\) (Brown and Duguid, 1998; Carlile, 2004; Kellogg et al., 2006; Spender, 1996) that emphasize the importance of improving knowledge flows within and across three types of boundaries (Carlile, 2004). These perspectives have emphasized technical aspects as well as social or “people” aspects (Alvesson and Kärreman, 2001).

**Perspectives on cross-boundary knowledge coordination**

The first perspective, termed as “knowledge transfer” (Carlile, 2004) focuses on the technical aspects including the use and development of information artifacts that prescribe a means for sharing information – repositories, specifications, standards – that support communication across boundaries (e.g., Montoya-Weiss et al., 2001). This perspective has its basis in an information-processing orientation (Galbraith, 1973; Lawrence and Lorsch, 1967), where knowledge is posited as “objective” and a “thing to store and retrieve,” and where the primary concern is that of transferring and processing explicit and easily codifiable knowledge across people, contexts, and organizational boundaries. The challenges in coordination are a result of breakdowns in knowledge transfer due to incompatible codes, routines, or protocols – what Carlile (2004) refers to as a problem of syntax in transferring knowledge across a “syntactic or information processing boundary.” Knowledge-sharing in these circumstances is enabled by the development of information artifacts – repositories, specifications, standards – that support communication across boundaries (Hansen, 1999; Leonard-Barton, 1992; Nonaka, 1994), creation and use of a common lexicon that specifies the differences and dependencies at the boundary (Carlile, 2004), or standard operating procedures that prescribe a means for sharing information (Grant, 1996; Nelson and Winter, 1982).

The second perspective, termed as “knowledge translation” (Carlile, 2004) emphasizes the social aspects including establishing trust (Staples and Webster, 2008), a “common meaning to share knowledge between actors” (Carlile, 2004: 55), a shared language (Newell et al., 2006), and using collective stories (Wenger, 1998) as a way to address interpretive differences across boundaries (Kellogg et al., 2006). This
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Perspective is rooted in an interpretive approach (Dougherty, 1992), that emphasizes the importance of establishing a “common meaning to share knowledge between actors” (Carlile, 2004: 55), and where the primary concern is that of translating tacit, context-specific, experiential, complex, and not easily articulated knowledge across organizational participants (Kogut and Zander, 1992; Lam, 1997; Nonaka, 1994; Winter, 1987). This perspective highlights how interpretive differences limit the effective management of knowledge between actors, as knowledge transfer in this case is not simply about rational calculations of efficiency but reflects the conventions, norms, and values of the actors and communities engaged in knowledge management (Brown and Duguid, 1991; Dougherty, 1992; Lave and Wenger, 1991; Wenger, 1998). Coordination challenges arise because of differences in meanings, assumptions, and contexts – a problem characterized by Carlile (2004) as one of semantics in translating knowledge across a “semantic or interpretive boundary.” Knowledge-sharing in these circumstances may be facilitated by developing common meaning that highlights the equivalence between different sets of knowledge, a shared language (Newell et al., 2006), collective stories (Wenger, 1998), common artifacts (Levina, 2001), use of cross-functional teams (Ancona and Caldwell, 1992), shared methodologies and boundary objects (Star and Griesemer, 1989), translators (Yanow, 2000), brokers (Hargadon and Sutton, 1997), or mediators (Orlikowski et al., 1995), as a way of addressing interpretive differences across boundaries (Kellogg et al., 2006).

The third perspective, termed as “knowledge transformation” (Carlile, 2004), and one that has received relatively less attention, has its origins in a political approach that primarily concerns the political aspects of knowledge and people’s interests and agendas, when they engage in cross-boundary knowledge coordination. If, after a translation effort, organizations determine that their language or measures are different, then they will have to transform some of their language or measures in order to continue to work together. As people’s knowledge, know-how, and accumulated experience is seen to be inseparable from people’s interests and actions in specific contexts, this perspective highlights how in some cases, coordinating knowledge across boundaries is not just a matter of transferring or translating but also of negotiating interests, settling political differences, compromising, and making trade-offs (Brown and Duguid, 1998; Wenger, 1998). Coordination problems arise because of different interests and the
political consequences of sharing knowledge – what Carlile (2004) refers to as a problem of “pragmatics” and translating knowledge across a “pragmatic or political boundary.” Differences in interests may be negotiated through a political process of negotiating and defining common interests and transforming localized knowledge into jointly produced knowledge that transcends the participants’ local interests and creates a shared body of knowledge or “common knowledge” (Carlile, 2002, 2004).

In short, the three perspectives suggest facilitating cross-boundary coordination in a distributed knowledge system through establishing a shared syntax for representing differences and dependencies at the boundary, use of various mechanisms that allow participants to develop shared meanings to understand those differences and dependencies, resolving conflicts through negotiation and compromise and using various boundary-bridging means (e.g., shared protocols, procedures, routines, methodologies, stories, models) and use of “transactional memory system” or corporate knowledge repositories within an organization (Wegner, 1986).

While there is a rich body of work on the first two perspectives, in particular the challenges of transferring and translating different types of knowledge – explicit or tacit – and developing shared understanding by making tacit knowledge explicit (e.g., Nonaka, 1994), the third perspective has received relatively far less attention. In this case, the challenge of cross-boundary knowledge coordination involves not just the differences in the forms of knowledge, but also the positions, interests, and agendas of the organizational participants (Empson, 2001). Consequently, we need to learn more about the challenges of managing cross-boundary coordination in the presence of divergent interests and political differences, as is often the case in a disaggregated value chain such as an offshoring context. As peoples’ knowledge, know-how, and accumulated experience is often inseparable from peoples’ interests and actions in specific contexts, managing knowledge processes is also a matter of managing organizational politics, such as negotiating and defining participants’ local interests, settling political differences, aligning means-end behavior (Bacharach and Lawler, 1998), and compromising and making trade-offs between actors (Brown and Duguid, 1998).

Organizational politics here refers to the competition between competing interest groups or individuals for power, authority, and leadership (Drory and Romm, 1990; Mayes and Allen, 1977), with political
behavior seen as “the exercise of tactical influence which is strategically goal directed, rational, conscious, and intended to promote self-interest, either at the expense of or in support of others’ interests” (Valle and Perrewe, 2000: 361). Drory and Romm (1990) further elaborated the means and ends of organizational politics. Means include influence attempts, power tactics, informal behavior, and concealing one’s motives, while outcomes include self-serving behavior, acting against the interests of the organization, securing valuable resources, and attaining power.

The role of organizational politics in knowledge processes

Discussions about organizational politics are nothing new in organizational and management literatures. In a recent work, Bouquet and Birkinshaw (2008) provide a conceptual integration and synthesis of the literature on power and influence in MNCs for achieving legitimacy, controlling resources, and gaining centrality. Indeed, complex organizations are seen as endemic sites of power and politics (Blackler, 2000; Cyert and March, 1963; Eisenhardt and Zbaracki, 1992) and are often fertile arenas for political strategizing and power plays, as various factions, coalitions, and cliques try to advance their interests or those of their members (Bouquet and Birkinshaw, 2008; Drory, 1993; Ibarra, 1993). Power and politics have been argued to be “fundamental concepts for understanding behavior in organizations” (Pfeffer, 1981: 1) and we would note, also for managing knowledge processes among globally distributed teams. For example, Hardy and Phillips (1998) analyze power relations in inter-organizational collaborations and highlight three important aspects – formal authority, critical resources, and discursive legitimacy – that may also be relevant in various types of organizational relationships in globally distributed settings.

Complex organizations such as MNCs are seen as contested terrains, where members’ activities may often reflect political considerations rather than only functional or economic ones. Several scholars have examined power dynamics and political processes between headquarters and geographically dispersed subsidiaries (Birkinshaw and Fry, 1998; see Bouquet and Birkinshaw, 2008 for a detailed review). As Morgan and Kristensen (2006: 1473) note: “MNC as a totality may be seen as a highly complex configuration of ongoing micro
political power conflicts at different levels in which strategizing social actors/groups inside and outside the firm interact with each other and create temporary balances of power that shape how formal organizational relationships and processes actually work in practice.”

Despite recent scholarly interest in addressing the role of organizational politics in organizational life in complex companies (Bouquet and Birkinshaw, 2008; Dörrenbächer and Geppert, 2006), conflicting viewpoints persist (see Buchanan, [2008] for a detailed review). Often subject to managerial ambivalence, views on organizational politics range from politics being considered dysfunctional and Machiavellian to being seen as useful and desirable in organizational life (Buchanan, 2008). The metaphor of “office politics” (Pettigrew, 1973) has often invoked negative connotations – something to be avoided or actively resisted. As Knights and McCabe, (1998: 795) note: “politics remains as the discourse that ‘dare not speak its name.’” Political behavior is seen as illegitimate, devious, and unsanctioned (Mayes and Allen, 1977), Machiavellian and dysfunctional (Voyer, 1994), “pathological” (Coopey and Burgoyne, 2000), “a walk on the dark side” (Ferris and King, 1991), a “social disease” (Chanlat, 1997), and associated with lack of transparency and poor performance (Eisenhardt and Bourgeois, 1988). Environments perceived to be political are seen to encourage behaviors that are designed to promote or protect the self-interests of the actor, including taking credit for the accomplishments of others and furthering one’s own agenda at the expense of others. This leads to suspicion and a breakdown of trust, since an environment fraught with political activity tends to blur the relationship between performance and reward and raises questions regarding the fairness of decision-making. Reducing and even eradicating organization politics has thus been argued to be a management duty (Stone, 1997).

However, many have cast doubt on the claim that “politics is always bad” (Provis, 2004: 233). Politics is an inevitable organizational reality, necessary in many settings and even a desirable facet of organizational change (Mintzberg, 1985; Pettigrew, 1985; Pichault, 1995), which can be functional in terms of careers and power-building (Gandz and Murray, 1980), and that can be used to fight “battles over just causes” (Butcher and Clarke, 1999). Politics and open political activity provide the “social energy” that fuels organizational learning (Lawrence et al., 2005), creates “psychic space” to nurture self-identity
and learning (Coopey and Burgoyne, 2000), develops and maintains social order (Knights and McCabe, 1998), is used to resist the use of legitimate tactics to achieve undesirable ends, and is employed to enable the integration of new ideas and the implementation of decisions reached by legitimate means (Harrison, 1987; Lawrence et al., 2005).

While the role of organizational politics has been subject to much debate, there is much less work on how politics impact the management of knowledge processes. One important contribution is the ethnographic account by Metiu (2006) who describes how intergroup status differentials between the US-based front-office staff and Indian-based back-office staff impacted knowledge-sharing and cooperation in the context of software development.

**Insights from organizational economics**

While the knowledge management literature has paid only limited attention to the issue of organizational politics, work in organizational economics (Alchian and Demsetz, 1972), agency theory (Fama and Jensen, 1983), and transaction cost economics (Williamson, 1996), draws attention to various problems arising from political conflicts, moral hazard, opportunism, asymmetric information, measurement difficulties, and various organizational actions to address these problems (Foss and Mahnke, 2005). For instance, knowledge-sharing has been argued to be facilitated by the use of incentives (Cabrera and Cabrera, 2002) that can influence both the willingness and ability of people to engage in collaborative knowledge processes (Minbaeva et al., 2003). However, this is not to discount the argument that at times, people may act in the best interest of the organization, not purely from an instrumental concern with rewards, sanctions, and incentives but by a sense of sheer organizational citizenship, identification with company goals, and intrinsic satisfaction from work (e.g., Kunda, 1992).

Organizational economics has been centrally concerned with what scholars in knowledge management have only recently argued “that social relations and learning processes do not happen in a political vacuum and, on the contrary take place in a landscape of interests and differential power positions and relations” (Easterby-Smith et al., 2000: 793). As an unavoidable social reality and a natural mechanism of social interactions in organizations (Dörrenbächer and Geppert,
2006), organization politics significantly influences cross-boundary knowledge processes. But what are the origins of organizational politics and what are some of the factors that generate political behavior particularly in globally distributed teams? We discuss some of these factors below.

Incorporating organizational politics into knowledge management

Antecedents of organizational politics

Organizational politics may be particularly potent in globally distributed teams, where with the dispersion of people the time that they spend together is a scarce resource, and people may not have the opportunity to “clear the air.” The emergence of localized interests and preferences may thus make such situations potentially more susceptible to political manipulation. If people feel that they are getting the “short end of the stick,” physical separation may make it more difficult to clear misgivings that may lead to adverse attitudes and political behavior. While “a dual strategy” of improving the technical elements (information and communication infrastructure) and cultural compatibilities (cultural training programs [David et al., 2008]) may contribute to reducing the adverse impact of physical separation, it only addresses a part of the equation for achieving integrated and sustained collaboration.

Such problems may be exacerbated when the project involves high-value or core functions where knowledge is more tacit, embedded, complex, and highly context-specific and co-dependent on the unidentified aspects of a specific temporal, spatial, cultural, and social context (Szulanski and Jensen, 2004). This entails higher stakes and consequences from opportunism and may generate self-interested and political behavior. Prior work has provided rich insights into why such knowledge remains elusive and thus difficult to transfer and share and translate across boundaries, people, and contexts (Carlile, 2004).

In examining the lack of political alignment, we argue that incompatible interests and divergent agendas are likely to foster organizational politics and impede knowledge flows. One type of problem among remote teams may arise from different incentive structures that create ambiguity and blur the relationship between performance and desired
outcomes for teams. Incompatible incentive structures can contribute to creating a context, wherein onshore and offshore units may come to view themselves as separate blocks or coalitions within the same company (David et al., 2008). Understandably, members of the two groups may then tend to privilege their own interests, even when, on occasion, these are at odds with that of the other group and the organization. This can generate organizational politics as people privilege and pursue divergent individual or factional interests rather than organizational interests. Stated as a proposition:

**Proposition 1**: Inconsistent or misaligned incentive systems are more likely to lead to organizational politics in globally distributed teams than when these systems are consistent and aligned.

While misaligned incentives can spawn organizational politics in any organization, including ones that involve globally distributed teams, political behavior is more likely to arise in teams that are part of the same organization – captives or affiliates – rather than when they belong to different organizations – contracting or third-party relationships. While being part of the same organization may mitigate the threat of possible opportunism and misappropriation of intellectual property that may occur in contracting or third-party relationships, it may also generate horizontal hierarchies and status differentials within distributed organizational members such as those working in core “front” and peripheral “back” offices.

Status differentials and different forms of knowledge among members of globally distributed teams may shape political processes and interests. For instance, status differentials may lead to remote location (e.g., back-office) knowledge to be seen as “peripheral” knowledge that may typically get neglected and regarded as less legitimate than knowledge possessed by hierarchically more senior and physically more central teams and their members. Even brilliant ideas from “second class” citizens may not get the recognition they deserve and the organization may lose out on an important source of innovative ideas (David et al., 2008). Such knowledge “censorship” and “discrimination” among members of globally distributed teams may translate into power struggles and organizational politics and impede knowledge flows within the organization. Remote employees may for example refuse to share knowledge or withhold information due to perceptions of being “used,” considered lower status, less valued or
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unfairly treated (McKinlay, 2002). This is in line with Metiu’s (2006) discussion of “high status” FO staff using informal means to exclude “low-status” BO groups from involvement in highly valued projects and “low status” staff then creating impediments in the smooth flow of knowledge. While these processes occur in all types of organizations in the context of globally distributed teams, they may be even more acute for organizations with affiliates than for organizations engaged in contracting or third-party relationships. This is because belonging to the same organization lends itself to more direct comparisons among members of distributed teams than belonging to different organizations. Summarizing our arguments in the form of a proposition:

**Proposition 2**: Status differentials among organizational members of globally distributed teams may lead affiliates to experience a higher degree of organizational politics in globally distributed teams, than in the case where organizations have contracting relationships.

While status differentials can spawn organizational politics in distributed teams that are part of the same organization, not involving remote teams in sensitive forms of knowledge in the context of high-value activities, such as client negotiations, may also breed a culture of mistrust and impede knowledge flows. Due to perceived fears that BO staff would take over the tasks of expensive FO staff and make them redundant, involvement of BO employees and their direct engagement with clients may raise concern among FO staff. FO staff may then strategize to keep BO staff from interacting directly with clients. Such non-inclusive behavior of centrally located team members towards remotely located team members needs to be seen in the context of the larger dynamics of offshoring that at times can involve cost-cutting, downsizing, and job losses, and create a highly stressful environment of uncertainty, fear, and distrust for the FO staff who may then engage in strategic behavior (Empson, 2001).

Centrally located (and usually more highly paid) members may thus be less open in sharing knowledge and expertise for the fear of becoming less critical for the organization. As David *et al.* (2008) found in the context of a US-based firm with offshore sites in India and Ireland, workers at periphery sites are not typically included in direction setting that may impede their ability to visualize the “big picture.” Similarly, excluding BO employees from decisions concerning new technology selection and not providing them the opportunity to directly interact
with the customers may also hamper their ability to develop domain knowledge that is held by core sites. On the other hand, BO employees may refuse to share knowledge or withhold information due to perceptions of being unjustly treated. 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.

As we observed in a number of multinational organizations with front offices in Netherlands and back offices in India, limited involvement of the back-office staff in key architectural and financial discussions about high-value projects created a “client-vendor” or an “ingroup-outgroup” mentality within the same organization (cf. David et al., 2008) that generated political tensions and power struggles and thus was not conducive towards fostering a sense of commitment to the organization. As we noted earlier, this problem may be more acute in organizations that have outsourced or offshored their high-value functions to remote locations and where organizational employees are in direct “competition,” and more prone to direct comparisons, than those organizations that perform these function onsite or have contracted them to third parties and where organizational employees are not in direct competition. Summarizing our arguments:

**Proposition 3**: Knowledge discrimination and censorship among organizational members of globally distributed teams may lead affiliates to experience a higher degree of organizational politics in globally distributed teams than in the case where organizations have contracting relationships.

The different factors that may lead to organizational politics especially in globally distributed teams, poses strong challenges for managers at the helm of managing these teams. But what are the possible steps that managers can take to manage organizational politics and improve knowledge management in globally distributed teams? Following an analysis of the issues related to organizational politics in managing knowledge processes, we offer three key arguments.

**Managing organizational politics**

First, we argue that efforts geared towards diminishing the dysfunctional consequences of politics must take into account human behavior that is based on the situatedness characterizing everyday interactions
in organizational life (David et al., 2008; Empson, 2001). Rather than view organizational politics only as an aberration in the management of knowledge processes in an offshoring context, we argue for some of its positive effects. As against the common belief that managers should aim at reducing or eradicating organizational politics to improve knowledge flows and organizational performance, we suggest that managers need to focus on activities that create a healthy political environment, where diverse people are able to speak out and expose troublesome issues, vent their frustrations and engage with others in an open and transparent manner. Furthermore, alongside cultural managers (e.g., Director of Competence and Culture at Sony-Ericsson), organizations can consider appointing “alignment managers” – people with political competencies and connections – who can be put in charge to push ideas forward, steer organizational change initiatives and enrol wider support without triggering resistance (cf. Ferris et al., 2000; Lawrence et al., 2005).

In light of the literature that suggests that politics is not always “bad” and that exclusively adopting a negative stance towards organizational politics may exacerbate the problems for the organization, we argue for organizational efforts aimed at channelling organizational politics in a positive manner. Indeed, in some cases, organizational politics can even lead to management interventions and decisions that may benefit the organization. In one multinational organization we studied, the back office exercised power over onshore teams (David et al., 2008) by withholding vital information from their remote counterparts and management responded to back-office actions despite its less central position in offshore projects. Political behavior is thus central to organizational processes, and represents the principle way in which people get things done. It can be used to subtly convey grievances and problems and bring them to the fore without engaging in direct confrontation. Thus, we do not argue for the reduction or elimination of organizational politics – an inevitable and intrinsic organizational reality that permeates the very fabric of organizational life (e.g., Knights and McCabe, 1998). Rather, we advocate organizational effort to leverage politics for the organization’s benefit and to mitigate some of the negative ramifications of organizational politics.

Such actions may help mitigate the negative aspects of organizational politics, such as the intentional lack of collaboration that may arise among distributed teams, as Metiu (2006) found in the ethnographic
study of a team of software developers located in the US and India where perceived status differentials hampered intergroup cooperation. However, this is not to imply that management are in some way above and separate from issues of politics. Arguably, all organizational staff, including management, is embedded in political processes, which is especially true if it is assumed that issues of power and knowledge are an intrinsic element of all political processes. Yet managers may engage in activities that mitigates some of the dysfunctional consequences of political processes. Rephrasing our arguments in the form of a summary statement:

Summary Statement 1: Instead of effort aimed only at reducing or eradicating organizational politics, managers need to focus on activities that create a healthy political environment in order to improve knowledge flows and organizational performance.

Second, we argue for bringing in insights from organizational economics into knowledge management (Foss and Mahnke, 2005), and emphasize the need for appropriate incentive systems for aligning political interests and motivating people to share knowledge in globally distributed teams. Such tangible measures may contribute to developing a sense of mutual dependence and oneness and complement programs aimed at technical and cultural alignment to improve the management of knowledge processes. As David et al. (2008) noted in the context of remotely located onshore and offshore teams, the hurdles to coordination and collaboration could not be explained by divergent nationally based cultural attributes, language barriers, and the limitations of information and communication technologies. Rather, impediments to developing positive social relations to facilitate collaboration among globally distributed sites were overcome through aligning interests and creating joint responsibilities to mitigate a core-periphery mentality and develop positive social relations among distributed organizational members. To align interests, goals, and responsibilities and incentivise collaboration in globally distributed teams, we advocate the need for generating “political alignment” or consistencies in the logics of action (Bacharach and Lawler, 1998) underpinning behavior that can increase participants’ motivation to share knowledge. Managing distributed teams effectively entails not just the challenge of removing technical or social barriers to knowledge flows, but also the challenge of aligning incongruous positions, divergent interests,
and incompatible agendas of organizational participants. Articulating these arguments as a summary statement:

Summary Statement 2: Managers need to generate consistencies in the logics of action underpinning behavior and align interests, goals, and responsibilities among members of globally distributed teams in order to increase their motivation to share and disseminate knowledge.

Third, we argue that globally distributed teams should engage in actions to diffuse tensions and power struggles not as a “one-off” but on an ongoing basis over time. We argue that many distributed teams tend to invest in creating a “common ground” to work together only at the beginning of the project. During our study of several offshored projects in different locations, we observed that organizations tend to devise elaborate training programs and invest in creating cultural and technical compatibility among dispersed teams at the inception and during the early stages of an offshored or an outsourced 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.

Such a scenario often results in growing tensions and power struggles among remote counterparts about the allocation of resources and key project priorities. This may then lead to some of the negative aspects of organizational politics. We thus propose that global teams need to continually “renew” and “renegotiate” their commitment on an ongoing basis in order to diffuse tensions and reduce some of the negative dynamics of power struggles and organizational politics within the project. Expressed formally as a summary statement:

Summary Statement 3: Global teams need to continually renew and renegotiate norms and work habits on an ongoing basis over time and not only at the beginning of the project.

Empirical and methodological considerations

A central aspect of our perspective is that globally distributed teams, in particular those that are part of the same organization, are more prone to organizational politics, and require organizational efforts to mitigate some of the negative impact of political behaviors that may impede knowledge flows. Previous research has focused more
on organizational efforts meant to foster technical and cultural alignment but less on efforts geared towards reducing some of the dysfunctional effects of organizational politics. We recognize that this is partly due to the methodological difficulties of measuring organizational politics and its impact. The shift in emphasis we have advocated merits some discussion regarding questions of operationalization and measurement.

Our approach encourages studies combining qualitative and quantitative methods that could more clearly identify the antecedents of organizational politics. While qualitative studies seem a natural choice for studying the richness of these dynamics, quantitative studies are usually more adept at showing how patterns of organizational politics emerge across an organizational population over time. Fortunately, there is considerable precedent regarding the operationalization of some of the constructs we have discussed here. Scholars can use both existing scales or develop new ones for gauging the antecedents and presence of organizational politics (see Kacmar and Baron, 1999 for a review). Du Brin (1978) developed a scale consisting of 100 items that Biberman (1985) expanded to test hypotheses about the propensity of individuals to engage in office politics. Another way of operationalizing organizational politics is through critical incident vignettes (Drory and Romm, 1990). Furthermore, Kacmar and Ferris (1991) developed a measure called the Perception of Organizational Politics (POPS), while Anderson (1994) published two versions of Dysfunctional Office and Organizational Politics (DOOP). Finally, scholars have examined organizational politics as both an individual level process as well as an organizational level process (Kacmar and Baron, 1999). Regarding the use of various individual and organizational actions to manage organizational politics, Farrell and Peterson (1982) offered a typology of political tactics by combining three dimensions of political behavior: internal–external (inside or outside the organization), vertical–lateral (at different hierarchical levels or at the same horizontal level in an organization), and legitimate–illegitimate (within or outside the bounds of law).

While some researchers have also explored variables that could influence organizational politics, others have examined what variables organizational politics influences. Examples include job satisfaction, job involvement, job anxiety, absenteeism, and turnover as well as organizational commitment and identification with the organization.
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(Kacmar and Baron, 1999), as well as moderator variables such as understanding and perceived control of organizational politics. These arguments merit further attention. While some of these measures might involve new and creative ways to operationalize the relevant constructs, we believe that there are no insurmountable difficulties in developing them. Finally, there is a rich body of literature on the measurement of knowledge management processes both within and among organizations that can be employed in conjunction with measures of organizational politics to inform how politics impact knowledge-management processes. In particular, these measures can be used to gauge how politics influences the transfer, sharing, and integration of knowledge across “political” organizational boundaries in teams distributed across time and space, and what organizations can do in order to channel organizational politics in a positive manner.

Future research directions

Our research suggests several fruitful avenues for future research. Scholars may investigate how knowledge-related practices are constituted by and through political relations in different organizational contexts and industries, both stable and dynamic and the extent to which political behavior can be channelled for the organization’s benefit. We also suggest more studies that examine the extent of people’s understanding and perceived control of organizational politics. For instance, it has been argued that when people recognize that politics exists in their organization but perceive relatively little control over or understanding of these processes, then politics is likely to be seen as a threat and can lead to negative outcomes. On the other hand, if they believe they understand the political climate and have some control over it, they are likely to view politics as an opportunity and “work” the system to curry favor and increase the benefits they receive in the organization (Kacmar and Baron, 1999). But what are some of the factors that lead to these differences in the way people perceive and experience organizational politics? This issue merits further attention. We also suggest studies aimed at identifying additional motives behind organizational politics, and developing strategies for channeling organizational politics in a manner that is beneficial to the organization. This can include the use of skills and tactics of influence such as persuasion, inspirational appeals to a person’s core values and ideals,
inclusive consultation, ingratiation, and personal appeals to feelings of loyalty and friendship. We suggest that these are useful avenues for further research that carry important implications for both theory and practice.

Note
1 Effective management of knowledge processes comes at a cost. Indeed, scholars have drawn attention to the “costs” of improving the management of knowledge processes (e.g., Haas and Hansen, 2007).

References
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