Impact of office politics on strategy formulation, execution, and recommended governance in the Arab world

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ABSTRACT

Office politics has been a pervasive issue in the corporate sector across the globe. This issue signifies a high concern for business managers and entrepreneurs working hard to improve the work processes and team-building activities. Political individuals are identified by researchers for a vulgar display of power and control dynamics to create alliances that foster their growth in organizations. Despite being considered a harmful and controversial practice by many scholars, office politics requires more research to cover its benefits for business organizations. This study is conducted to uncover the dynamics of office politics for business organizations by looking at the case in the Arab world. This study argues that organizational politics significantly impacts strategy formulation, execution, and organizational governance in Arab countries. The critical analysis of secondary sources shows that office politics impacts the decision-making of leaders. In several industries in the Arab world, it contributes to workers' dissatisfaction. However, the study also suggests using office politics for positive purposes to improve decisions regarding employees' well-being and cultural improvement. Hence, managers must learn more about the negative impacts of office politics on policy and governance and improve their decision-making by using politics as a tool for growth and innovation. This study answers these critical questions related to office politics to cover the research gap and how it can destroy and improve organizations.

Keywords: *office politics, strategy formation, strategy implementation, strategy execution, Arab world*

Introduction

Office politics is a prevalent phenomenon in corporate, public, and non-profit organizations that surrounds every employee working under leadership (McClusky, 2002; Mutawalli et al., 2023).Since organizational leaders and business managers are often involved in strategy formulation to improve the structure and workflow of their organization, a vital issue they need to combat and resolve is office politics prevailing and growing within teams and individuals at all levels of hierarchy (Elbanna & Abdelzaher, 2020). The term "office politics" sounds dangerous and dreadful. Scholars and business experts have defined this term as a display of power tactics, partnerships, and motives to impact decisions to achieve personal agendas in business organizations (Rañeses & Bacason, 2022). Moreover, in 2022, the unemployment rate in Arab countries has been recorded as the highest at 12% compared to other countries (Assaad & Krafft, 2023). Even after the abandonment of COVID-19 lockdown rules, this rate only came down to 11% in 2023. This shows there is a higher level of unhappiness, dissatisfaction, and discontent among employees and expatriates in the UAE, Egypt, Bahrain, and Qatar's job market due to factors such as organizational politics and discrimination (Shaker & Alnoori, 2023).

Office politics has wider implications for business firms and their environments and employees (Adeyemi, 2022). In a typical small and medium-sized firm in the UAE or Qatar, office politics is something managers cannot ignore even if they straightforwardly work to achieve their goals without playing games (Al-Horr, 2009). This is because several business leaders make strategic decisions influenced by politics, stereotypes, and biases formed by authority figures. Recently, several authors and scholars have provided evidence that office politics can both damage and improve organizations that help leaders implement and scrutinize their plans to achieve the vision of their organization (Williamson, 2021).

In the Arab world, scholars believe that office politics have a huge impact on policy executive and strategy formation (Alkhafaji & Nelson, 2013). For example, in countries such as Qatar and the United Arab Emirates (UAE), office politics can profoundly impact the careers and morale of many workers (Ulrichsen, 2016). In the Arab world, many Asian and Western expatriates work together to embrace economic and infrastructure development. Office politics in many government and private organizations in Arab countries is impacting employee-manager relationships and their mental well-being (Yousif & Loukil, 2022).

Moreover, many Arab countries are hopeful of solving their long-prevailing economic problems that are stagnating their growth. Leaders in Arab countries such as Egypt, Morocco, Saudi Arabia, and the UAE are optimistic about reducing unemployment and fostering global partnerships with other countries to undertake significant economic reforms (Noland & Pack, 2011). In the past few decades, globalization has embraced remote working of individuals to improve productivity and performance. Business managers and leaders in the Arab world still need to take immense interest in comprehending the influence of office politics on governance practices and strategy formulation (Vyas & Butakhieo, 2021). This requires a nuanced approach to explore and analyze the role of office politics in business organizations to shape the cultures of different organizations. This study argues that many employees and managers miss out on vital career growth opportunities and fail to create their sustainable worth in the organization due to a lack of knowledge of office politics and mind games played by others. The lack of education related to this topic in college and business management schools will prepare managers to understand the influence of politics on strategy and policy formulation in the context of the Arab world (Shaker & Alnoori, 2023).

Office politics has been studied by several researchers and individuals in the past few decades. However, this subject requires thorough training and awareness about office politics to help managers and employees in business organizations become integral members of policy and strategy formulation. In the Arab world, similar to advanced countries in the West

and SoutheastAsia, office politics prevail in almost all organizations ("The benefits of office politics," 2023). Scholars have discussed insights and suggested ways to reduce and combat the harmful impacts of office politics. Studies conducted by Vyas & Butakhieo (2021) discuss the important role of office politics in business organizations and claim that no employee can escape it. Another study by Olusegun (2019) analyzes the impact of politics on organizational development from a theoretical perspective. Both of these and many other studies highlight how office politics drive administrative and governance decisions in organizations by impacting organizational performances. However, none of these studies published in the past focus on an in-depth analysis of how office politics influence strategy formation, execution, and implementation in the context of Arab countries.

There is a significant need to critically explore the impact of this phenomenon in business settings in the Arab world to enhance the role of managers in decision-making and reduce fleece attitudes among decision-makers. Moreover, this study also discusses how negative or narcissistic leaders and employees guide corporate governance and why "bad guys" often win at work by damaging the careers of hard-working and straightforward individuals. Hence, the contribution of this study is crucial to fill the study gap in previous studies in this particular organizational behavior and management domain (Shaker & Alnoori, 2023). This study covers the gap of lack of research on the positive aspects and influences of using office politics in a strategic manner in Arab-based organizations. Hence, a better understanding of office politics' negative and positive impacts on organizational governance is crucial to reducing the narcissistic behaviors of leaders. The study helps to answer the following research questions:

1. How does office politics work in organizations, and how is it spread by narcissists and negative individuals in the Arab world?

2. How do office politics manifest in Arab-based organizations to influence the creation, execution, and governance to impact decisions?

3. What are possible strategies to reduce the damaging impact of office politics in Arab-based organizations to impact governance and strategies?

Understanding the Prevalence of Office Politics in the Arab world

In the Arab world, many employees in Dubai, Qatar, and other cities remain unsatisfied due to not being recognized for their abilities at work (Al-Ali, 2006). Arab countries form a work culture that signifies the unique socio-cultural environment of these countries that fosters office politics to a significant level in both private and public organizations (Sawaya & Zalzale, 2023). Organizational politics has prevailed in the UAE and other Arabic countries where specific employees form alliances to impact the decisions of their entire organizations and gain significant personal advantages (Hamza, 2015). They use the interplay of internal relationships and political tactics and strategies to manipulate other employees (Rañeses & Bacason, 2022).

Scholars believe that office politics emerges in business organizations due to factors such as limited career development and growth opportunities, lower salary growth policies, and role ambiguity (Hochwarter et al., 2020). These issues often fuel political thinking that leads a few employees and managers to engage in biased decisions (Mujtaba & Meyer, 2022). Office politics operate in a complex manner in business organizations. For example, it kills the aspirations and hopes of many honest and motivated employees working in different corporations and SMEs in Arba countries (Mousa et al., 2020). Rather than following an organizational formula for success, they engage in treacherous politics that hampers the creativity and innovation of many bright individuals and impact organizational decisions (Vaillancourt, 2021). Furthermore, the world is not a perfectly fair place due to prevailing racism, sexism, nepotism, and xenophobic attitudes of individuals towards many expatriates in the Arab world.

Besides, employees in the Arab world as argued by Mohd. Shamsudin (2023) cannot build a notion that they can trust their superiors by believing that they will acknowledge their simple hard work and talent. The fact remains that many opportunist individuals play office politics to achieve self-glory and embrace self-promotion. This means that cream employees are not always rising to the top posts such as business leaders and CEOs. Many individuals outsmart and outmaneuver their coworkers and subordinates by using emotional tactics and controlling their destinies (Venegas, 2020). These people impact the ability of loyal and innovative employees to network and communicate their woes and problems transparently and openly (Mohammad & Darwish, 2022). Hence, political individuals in Arab-based business organizations harm other workers to strategically climb corporate ladders.

Examining the Harmful Impact of Organizational Politics on Strategy Creation, Execution, and Governance

The psychological analysis of employees also identifies that negative mental behavior is against the principles of positive psychology that help individuals and teams to thrive and flourish by becoming selfless and sincere towards organizational betterment (McClelland & Burnham, 2014). This implies that most hard workers and smart people do not get ahead despite their loyal efforts. This means in global as well as Arab-based organizations, behavioral economists claim that there is a lack of understanding of the psychology of persuasion that leads to irrational behaviors. Therefore, the lack of leadership skills, values, and understanding of effective leadership psychology promotes and encourages narcissistic leadership (Norouzinik et al., 2022). Finally, the cultural norms of Arabic countries and their conservative environment also contribute to employees' silence and how a gap exists between employees' leadership skills and their narcissistic and political behavior (Kumari et al., 2020).

In Egypt and Qatar, organizational politics prevail, and it impacts the employees due to leadership tactics used by managers and employees (Al-Shaiba, 2020). These tactics and tricks profoundly impact the performance of team members and their performances in the long run. As Hussein (2022) discusses the impact of office politics is characterized by power struggles in business organizations by claiming that narcissistic individuals play the blame game and manipulate their way to success by creating a toxic environment.

It is argued that narcissistic managers love creating drama and uncertainty that leads to a lack of trust in management (Hussein, 2022). Moreover, it also reduces the morale of team members losing their sense of belonging. For instance, in Saudi Arabia, managers often demonstrate favoritism policies and form partnerships and friendships with staff members (Alshareef, 2020). These tactics impact their decision-making and reduce the morale of other people by making them feel less important.

Moreover, another study argues that narcissistic managers often negatively harm employees by focusing on their interests, goals, and motives. These selfish individuals care less about employees' well-being and remain obsessed with their achievement and entitlement ("How to stop office politics", 2022). Hence, this psychological issue in many managers leads to a lack of trust. For example, in the UAE's telecom industry, workers revealed that narcissistic supervisors constantly focused on self-admiration and made the atmosphere toxic causing many expatriates to quit their jobs. This means narcissism persists in the Arab world despite high economic and technological development that disengages employees from their management and erodes their trust. Their morale declines and they hate working with a controlling and self-centered leadership. This shows an alarming situation of office politics in Qatar and the UAE where global workers and locals work together to avail lucrative employment roles in these diverse industries.

Due to toxicity in the environment and work culture, political individuals often crush employees' motivation to create rewarding careers with self-respect and admiration (Alhosani, 2022). Therefore, organizational politics detrimentally impacts the culture of an

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organization where narcissistic individuals often destroy the trust of employees in the organization. Hence, there is a need for improving fairness, empathy, respect, and role clarity to improve organizational culture.

Discussion

Research by Atmaja (2022) discusses the impact of politics on organizational decisions and governance which argues that strategic decisions can be enhanced by political individuals because they can convince managers to support their goals. They can provide diverse details to CEOs and team members to follow their strategies and perspectives to make improved decisions. In Kuwait, managers are known to build alliances as a part of political games to make better decisions. However, Aluja et al. (2022) suggest that significant politics can reduce the credibility of decisions such as promotions and annual increments. Moreover, in Jordan, government organizations are known for nepotism that often declines quality decisions of authorities due to individual agendas. Hence, politics can have long-term consequences on decision-making in the Arab world.

Many other scholars and researchers have claimed that politics often results in better work performance and promotes a stress-free environment where managers can cultivate success and give rewards effectively (Ahmad & Jameel, 2021). This is backed by the study published by Al-Swidi (2021) who emphasizes the role of sincerity in office politics to reduce stress in employees and improve retention. Hence, this implies that office politics should not be eliminated because a few individuals use it for selfish pursuits. Policymakers must improve governance by using positive networking, sincerity, and trustworthiness to embrace an empathetic culture.

Moreover, other evidence from the literature also shows that office politics at its worst reduces the work-life balance of employees in global and Arab-based organizations (Aluja et al., 2022). This issue requires the attention of many new business researchers and organizational leaders. This is because, in the Arab world, societal values

and norms are dictating leaders and decision-makers to follow nepotism and display power dynamics that have impeded the process of strategy formation and execution in many organizations (Williamson, 2021). As a result, it affects both the decision-making process and the outcomes of business firms in the Arab world, which are shaped by governance practices and leadership norms. Therefore, through office politics, Arab workplaces are forming allies who shape governance mechanisms and affect strategies at a higher level. Understanding how politics manifests in and impacts governance and decision-making can help scholars, educationists, and entrepreneurs improve organizational cultures in the Arab world.

Finally, the findings from the literature reveal that in Arab-based organizations, narcissist employees or managers may form groups with vital individuals to attain favors and support from that group. This may help them enhance their power and disrespect talented individuals. Therefore, from this perspective, scholars such as Yousif & Loukil (2022) also support the argument that office politics impacts the strategy formation, execution, and decision-making of an organization as a consequence of self-centered agendas of controlling individuals. This implies that office politics is a negative trend despite its benefits discussed by other researchers.

Strategies and Recommendation: How to Use Politics Positively

Positive Networking:

A Harvard Business study reveals that networking is a beneficial skill for political individuals who initiate conversations to access policymakers to impact governance. Since the Arab-based hybrid work culture is thriving, workers enjoy delivering tasks from home. However, this can lead to a toxic culture due to a lack of face-to-face interactions and deep relationships with managers. Hence, politics can help to form decisions to reduce too much work-from-home culture to support employees' growth (Fine & Sojo, 2020). In recent years, the understanding of office politics in the Arab World has also been

changed and it is making space and being used in positive ways.

Using Sincerity as a Tool:

Studies have shown and provided evidence that the sincerity of employees promotes organizational productivity and can bring innovation. It is therefore managers in business organizations who try to develop the concept of sincerity in their employees. However, literature reports that fake or narcissistic managers often fail to demonstrate truthfulness in organizations. The Arab world must prioritize sincerity in all situations to effectively navigate political landscapes and make ethical decisions (El-Kassar & Lythreatis, 2023). This means that office politics can help managers to remain sincere while using political tactics to create win-win situations.

Build Positive Relationships:

Building cohesive relationships with peers and managers based on respect, dignity, and trust can curtail negative office politics. Managers must embrace an open-door policy to foster open communication among peers and linen managers (Elbanna & Abdelzaher, 2020). This can help team members stay informed and understand change management and power dynamics. Hence, through these partnerships, they can form informed decisions. Moreover, employees can use politics to seek guidance from managers and gain proper advice from senior executives to strengthen their relationship skills.

Conclusion

In the diverse landscape of the Arab world, office politics plays an indispensable role in influencing organizational strategies, both negatively and positively. His paper argues that negative office politics should be replaced with positive politics to enhance communication with seniors and peers, as well as to form alliances that ensure progress. Professionally executed politics can assist employees in enhancing their interpersonal skills. Arab-based organizations can reduce narcissism by strategically playing politics to make informed decisions. Such an approach requires professionalism combined with

organizational politics to form a conducive work environment. Hence, many scholars also argue that ruling out office politics is not viable, practical advice. Rather, the Arab world must focus on using office politics as a weapon to improve organizational resilience and culture to impact employees' behaviour positively and foster well-being.

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