Managers' autonomy, strategic control, organizational politics and strategic planning effectiveness: An empirical investigation into missing links in the hotel sector

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HIGHLIGHTS

- Strategic control is a powerful antidote for the practice of organization politics.
- A high level of managers' autonomy leads to more organizational politics.
- Organizational politics negatively influence strategic planning effectiveness.
- Strategic control and managers' autonomy can vary independently.
- Strategic planning practices within the hospitality and tourism industries.

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ABSTRACT

This article reports on the impact of managerial autonomy and strategic control on organizational politics and show how the latter influence effectiveness of strategic planning. In doing so, it outlines particular directions that a rebalanced strategic management research agenda may take. Whereas organizational politics have received sustained interest in the management literature, its conceptual and empirical examination in the tourism industry has been meagre. This study contributes to fill this gap by analyzing data from 175 four- and five-star hotels located in a less researched region, the Gulf Cooperation Council (GCC) countries. The findings indicate that high levels of autonomy combined with low levels of control negate the effectiveness of strategic planning by increasing organizational tensions. Drawing on political and organizational perspectives, an interpretation of the results and policy implications are discussed. The study also delineates interesting research avenues for further research on organizational politics in the tourism industry.

1. Introduction

A broad range of studies have conceptualized organizations as political coalitions of members with often divergent goals; and they have also attested to both the ubiquity of organizational politics and to their widespread destructive impact on organizational outcomes (Elbanna, 2010; Kacmar & Baron, 1999; Kreutzer, Walter, & Cardinal, 2014). However, with few and less related exceptions (e.g., Buonocore, 2010; Hung, Yeh, & Shih, 2012), there has been very little theoretical and empirical research on organizational politics in the hotel sector, despite its importance and its treatment for decades in the management literature. The research reported in

this article aims to help to fill this gap by examining the impact of two antecedents of organizational politics (managers' autonomy and strategic control), and one of its outcomes (the effectiveness of strategic planning).

It has been widely argued in the literature that organizational factors are influential in predicting political behavior (Shrivastava & Grant, 1985). When managers, for instance, allocate resources, they are affected by how much autonomy they have and what level of control they are subject to. This notion has received support from several authors who show that organizational factors exert more significant effects on political behavior than do other environmental and manager-related factors (e.g., Elbanna & Child, 2007; Papadakis, Lioukas, & Chambers, 1998). Given the above, this article proposes a framework to help managers understand how two important organizational factors, which are less researched in

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the literature of political behavior, influence organizational politics. These are autonomy and control. Although autonomy gives managers greater flexibility to act, at the same time, strategic control provides means for tighter top-management control over their actions (Fig. 1).

Autonomy describes the independence and authority given to managers or teams within organizations to develop new thoughts or proposals and carry them through to completion (Hughes & Morgan, 2007). As argued by Drafke and Kossen (2002), autonomy indicates the freedom of an individual to perform tasks and control work. It represents a decentralized decision structure or an organizational context where executives can act without prior approval from top management and sometimes even without their awareness (Andersen & Nielsen, 2009; Mintzberg, 1994). In other words, it captures the extent to which middle managers can act and decide without top management approval. Some researchers have found that there is no direct relationship between middle managers' autonomy and firm performance. However, they report that such autonomy indirectly affects organizational performance or planning effectiveness through other organizational variables, such as capabilities (e.g., Ouakouak, Ouedraogo, & Mbengue, 2014) and adaptive behavior (Andersen & Nielsen, 2009). Although middle managers' autonomy has been emphasized in the literature for quite some time, very little is known about its role in organizational politics and thus an aim of this article is to establish how far autonomy may contribute to organizational politics.

The strategic management literature clearly advocates the importance of strategic controls system to monitor strategic progress and ensure the execution of strategic plans (Goold & Quinn, 1990). The inherent uncertainty and novelty of strategic planning processes expand the likelihood that strategic planning will face attempts of political influence by organizational actors (Ferris, Fedor, Chachere, & Pondy, 1989). Strategic control addresses the central strategic problem of an organization seeking to align the activities and performance of managers with its strategic objectives (cf., Sitkin, Cardinal, & Bijlsma-Frankema, 2010) and therefore it provides the basis for decisions on actions to correct deviations from strategic objectives (Goold & Quinn, 1990). We regard strategic control as a process in which organizations use strategic objectives as standards, measure the performance of their strategic plans, compare this performance to standards, and feed information back about undesirable variances in order to take relevant corrective actions. Although there is a broad consensus that strategic control or monitoring is one of the key activities of strategic management (Nixon & Burns, 2012), it is a less researched area in organizations (Berry, Coad, Harris, Otley, & Stringer, 2009) and the emphasis on this activity is less than on other activities, such as formulating strategic plans (Elbanna, 2013). This gap between the

strategy process and strategic control has been the subject of recurring criticism (Marginson, 2002). For example, there has been comparatively little empirical research to explore whether and how strategic control influences organizational politics. This, in itself, exemplifies a gap in the strategic management literature. Moreover, the research that has been carried out either addresses other types of control, such as organizational controls (e.g., Kreutzer et al., 2014) or examines different aspects of politics in the hotel sector, e.g., political skills (e.g., Hung et al., 2012). Research like ours is, therefore, required in order to understand the role of strategic control in confining political activities which in turn influence the attainment of organizational objectives.

Further, we speculate on the extent to which the empirical setting influences the results of prior research concerning organizational politics; that is, how generalizable to the hotel sector are the findings about organizational politics from other industries, which can provide managerial insights into ways of improving the effectiveness of strategic planning. Deriving quantitative relationships about the effect of these factors across a wide spectrum of hotels would enhance the awareness of the determining factors and outcomes of organizational politics in the hotel sector. To the best of our knowledge, almost no research has been done in this sector into the relationships that are examined in this study although the hotel sector is a key industry in many economies (Fraj, Matute, & Melero, 2015) including these of the Gulf Cooperation Council (GCC) (Alpen Capital, 2014).

This sector is highly sensitive to business, political and economic conditions and its growth can have a strong influence on performance of hotel companies (Chen, 2010) which in turn influences the dynamics of organizational politics (Elbanna, Thanos, & Papadakis, 2014). The outlook for the GCC hospitality industry is positive with an increasing demand and consequently capacity expansion supported by strategic initiatives of the regional governments such as upcoming mega events in Qatar (e.g., the world cup 2022) and the United Arab Emirates (UAE) (e.g., the Expo 2020) (Alpen Capital, 2014). Therefore, the setting of the GCC hotel sector is particularly relevant to test our research hypotheses given the high dynamics of hotels' strategies in the region nowadays and consequently the potential role of organizational politics accompanying such dynamics.

In conclusion, our research objective is to answer two pressing research questions in the literature of strategic management in general and that of the hotel sector in particular. These are (1) how far do managers' autonomy and strategic control influence organizational politics? (2) What is the effect of organizational politics on the effectiveness of strategic planning? As concluded by the most recent review of studies on strategic planning in the hospitality and tourism context (Phillips & Moutinho, 2014), this study
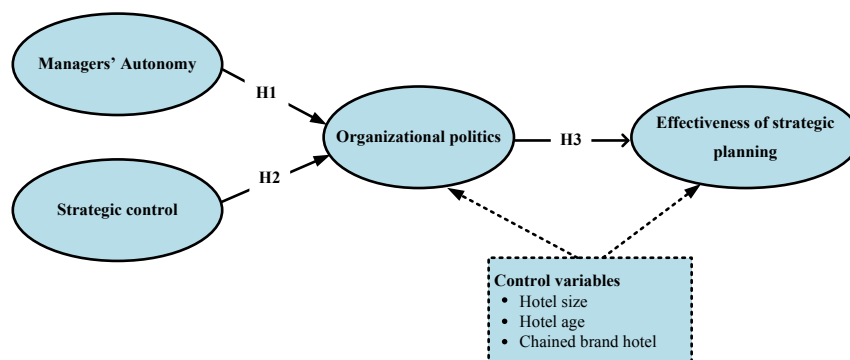

Fig. 1. Managers' autonomy, strategic control, organizational politics and strategic planning effectiveness.