

## COMPARATIVE STUDY OF STRUCTURAL DIMENSIONS OF COMMERCIAL VS POLITICAL ORGANIZATIONS

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### Abstract

Political Parties are the backbone for any democracy. The quality of nation's role played by political parties is dependent on the quality of volunteers/members it recruits. There are similarities and contrasts between commercial organizations and political parties in terms of structural dimensions. This research paper takes a comparative approach to compare the structural factors to differentiate commercial organizations Vs political parties.

**Keywords:** *Organizational Structure, Organizational Life Cycle, Organizational Culture, Organizational Processes, Recruitment Processes, Talent Retention, Talent Management.*

### Introduction

Political parties are the backbone of any democracy. They are formed based on social economic and political factors prevailing in a country at a given point of time. There are basically 4 types of political parties and the details are captured below:-

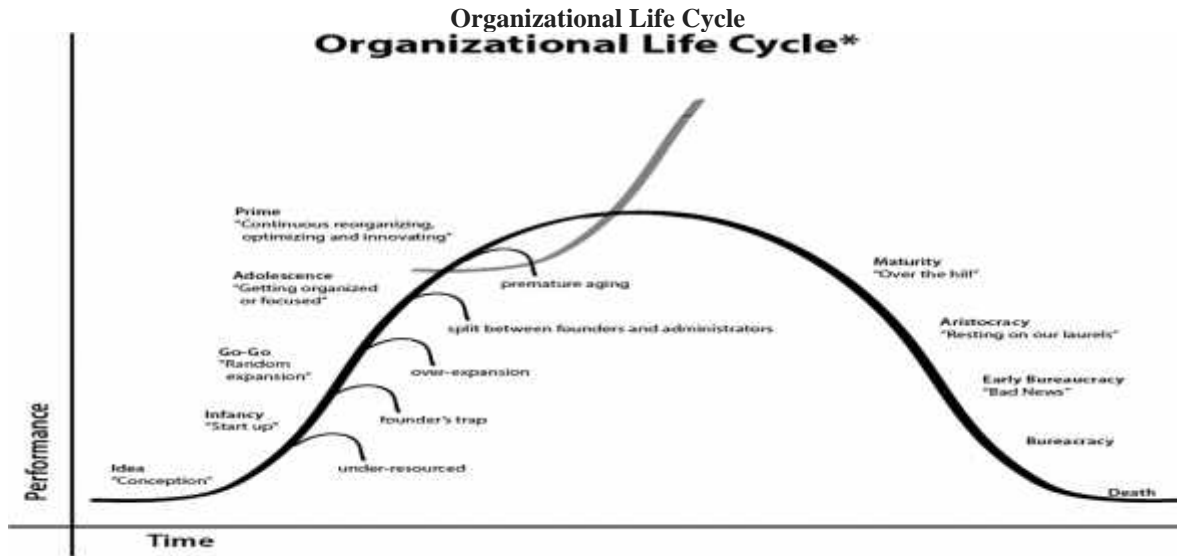
Membership	Number of People	Settlement Pattern
Band	Dozens and up	Mobile
Tribe	Hundreds and up	Mobile or Fixed : 1 or more villages
Chieftdom	Thousands and up	Fixed : 1 or more villages
State	Tens of thousands and up	Fixed : Many Villages and cities

The reasons for origination of political parties are Personality Cult, Ideological commitment/orientation, and regional identity, factions within existing political parties, communal feelings and casteism in the region/country. The success of political party is dependent on its ability to adopt the features of a commercial organization. A political party goes through the stages similar to the stages that a commercial goes through in the process of evolution.

### Review of Literature

The early literature laid emphasis on the process of development of organizations. Stinchcombe (1965), Kimberly (1980), Miles and Randolph (1980) focused on the initial "Imprinting" of organizations that sets the stage for the direction and growth of the organization. (Greiner, 1972, Greiner, 1972; Torbert, 1974; Lyden, 1975; Lavoie and Culbert, 1978; Adizes, 1979; Kimberly, 1979; Miles, 1980) , through their research have identified that by observing the development of an organization through the stages of an organization it is possible to predict the problems and opportunities than an organization can face in future. The review of 9 models of OLC indicates the features that an organization goes through in the stages of OLC:-

Stage of Organization	Organizational Dimensions
Stage 1 : Creativity or entrepreneurship	Creation of ideology and marshalling of resources and formation of ecology
Stage 2 : Collectivity	High commitment and cohesion among the members, face-face communication, informal structures and long hours of work and emerging sense collectivity and missions. The focus is on internal system than the external
Stage 3: Formalization & Control	The policies and procedures get institutionalized, goals get defined, the focus is adherence, reduction of flexibility and emphasis on improving the efficiency of production.
Stage 4 : Elaboration of Structure	The focus is on decentralization and building the renewal capability of the organization. Preparing the organization for metamorphic rather than sequential development



### Comparison & Contrast of Commercial Vs Political Organization

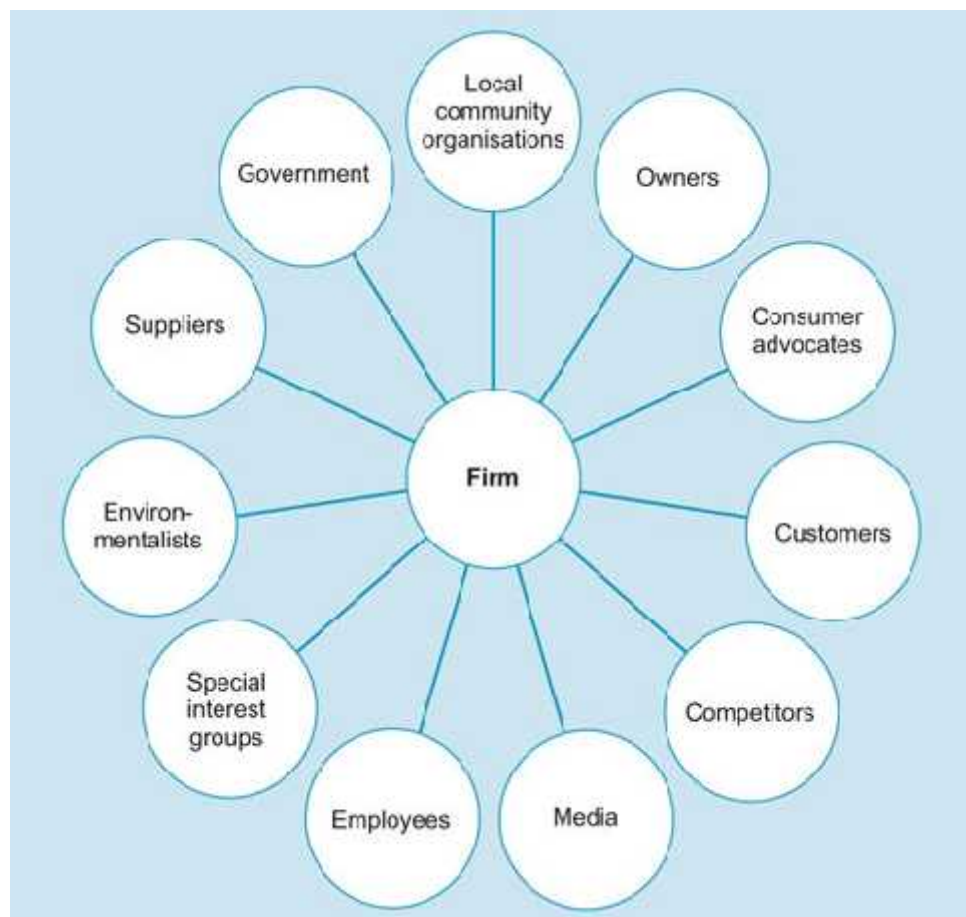
The features/dimensions of an organization are identified and are compared and contrasted below:-

Organizational Dimension	Commercial Organization	Political Organization
<b>Informal Organization Dimensions</b>		
Beliefs & Assumptions	The beliefs & assumptions in commercial organizations are driven by founder or the senior leadership of the organization	The beliefs & assumptions are driven by a founder or founding members of the political party
Perceptions & Attitudes	The perceptions and attitudes are driven by the leadership, culture and processes in the organization	The perceptions and attitudes are driven both by internal (Leadership) and external (environment). The environment has a greater impact on the members of political parties.
Values	The values are driven by founder or leadership of the organization. The values undergo change over period of time due to both internal and external factors.	The values are driven by the founder of the political parties. The values undergo change over period of time due to both internal and external factors.
Feelings, Joy, Fear	Feelings among members of commercial organization are driven by the successes and failures of the organization	The situation is quite similar in the case of political parties
Group Norms	The norms of members are determined by the members collectively	The norms of members are determined by the members collectively
Informal Leaders	Informal leaders arise in the organization due to expert, referent and coercive power	The context is similar in the case of political organizations
<b>Formal Organization Dimensions</b>		
Goals & Objectives	The goals and objectives are determined by founder in case of family organization and collective leadership in case of professional organization	The goals are objectives are determined by the founder/leader of the political organization initially. Even after the evolution of political organization across life cycle stages, it is the senior leader who determines goals and objectives.
Policies & Procedures	The policies and procedures are clearly defined and executed	The policies and procedures are not clearly defined and are implemented based on the context and perceptions of the leader.

Job Descriptions	There are clearly defined Job descriptions for all the roles	Except for office bearers both in the government, rest of the members do not have defined job descriptions
Financial Resources	The financial resources are determined by the balance sheet of the organization	The financial resources are determined by the connect with corporates and especially by the fact if the party is in power or is expected to come to power in future.
Authority Structures	The authority gets established and stabilized along with the evolution of the organization	The authority of the organization is largely centralized across OLC. Even in the elaboration stage, where the organization gets decentralized, the power is concentrated in decentralized power centers.
Communication Channels	The communication is structured. Both formal and informal communication co-exist.	Though the communication gets structured in stage 3, the informal communication is powerful than formal channels. Further the adherence to formal channels is more when the party is in power than otherwise.
Products & Services	The organization has list of products and services to offer to the community.	The party has social services to offer when not in power and services to citizens through administration while in power.

### Stakeholder Analysis

The relationship with stakeholders for commercial Vs political organizations are compared below:-



S. No	Stakeholders	Relationship with Commercial Organization	Relationship with Political Organization
1	Customers	The users of products and services produced/serviced by the organization	The citizens residing in the locality/geography where the political party is registered and has its activities
2	Competitors	It includes both the direct and indirect competitors who are offering products/services which are similar or has functionality similar to the products/services offered by the organization	The political parties who are registered and are operating in the same locality/geography. In addition it includes the Non-Governmental Organizations, who are championing the interests of the citizens residing in the locality
3	Media	Players across media i.e, Print, Electronic and online have a major impact on building and sustaining the brand equity and brand recall value for the organization. The brand equity will impact the market share and consequently the top line and bottom line of the organization.	Media (Print, electronic and online) have a major impact on the image of political party. Political parties should not only champion and work for the cause of citizens, but it is equally important for them to be seen/perceived by the citizens. This has a major impact on their chances in contesting the elections
4	Employees	<p>Employees include both the people on rolls of the organization and those outsourced as well, as the organization has accountability as principal employer.</p> <p>Employee recruitment and retention is dependent on the organizational culture and people practices of the organization</p> <p>Equitable treatment is a key determinant in building employee connect and has major impact in employee recruitment and retention</p>	<p>The citizens who have taken membership of the political party and the volunteers. Unlike the case of commercial organization, there is no contractual relationship, but emotional relationship.</p> <p>The continuity of members/volunteers is dependent on the factors such as a) continuity of political party in power b) chances of coming to power c) proximity to decision makers who can assign them nominated or government positions.</p> <p>Grant of powers/positions to opinion/local leaders has a major impact on member/volunteer recruitment and retention. Equity per se, as in the case of corporate may be a deterrent to the organization</p>
5	Special Interest Groups (SIGs)	Social Organization/Civil rights activists are major stakeholders, as they can influence the availability of government support for land or in building public perception on the products and services of the organization	SIGs have major say in building public perception against the developmental initiatives undertaken by the political parties.
6	Environmentalists	<p>Environmentalists can influence adversely the image of a commercial organization, especially when the organization is not compliant to the environmental norms.</p> <p>Another major factor is non-inclusivity of local towards projects undertaken such as set up of a manufacturing plant</p>	Environmentalists can cause damage to the developmental efforts, if the political organization does not take the local residents into confidence on the benefits/pay-off of the projects/initiatives undertaken by them. Also another major factor is the distribution/availability of benefits as a compensation to the local citizens for their sacrifices such as surrender of land for the

			developmental initiative
7	<b>Suppliers</b>	The relationship with suppliers can impact the availability of raw materials/inputs and the supply chain and consequently the quality and timely delivery of products and services	<b>Suppliers for services availed by political organizations are not a major factor and they are majorly influenced the money and political power of the organization</b>
8	<b>Government</b>	Government is a major stakeholder for commercial organization. It has influence on the organization on various fronts such as grant of land, license, regulation and taxation.	Adverse relationship can impact the leaders of political leaders and they can be victimized by the part in power
9	<b>Local Community Organization</b>	They can influence the public perception on the products and services manufactured/serviced. Lack of engagement can lead to adverse relationship and these groups can build perception against the organization. For instance a mining organization has to have relationship with local community to under their developmental needs and fulfill to offset the sacrifices made by them.	In case of political parties, local communities can have major role in building perception or connect. If the political party is found to be protective of the interests of the area, the local communities can be up in arms against them. For instance when political organization power, decides to grant a mining license, it has to take into confidence the local communities. Similar is the case for establishing of nuclear power plants.
10	<b>Owners</b>	The ownership of organization rest with promoters or equity investors.	The ownership of the political party rests with the people large.
11	<b>Consumer Advocates</b>	Consumer advocates have the responsibility of protecting the interests of consumers who use the products/services produced/serviced by the organization. In the event of lack of ethics/adherence to regulatory and environmental norms, they can take up agitations against the organization	They can impact only the political parties in power. If the political organization fails to draft or implement the consumer laws, they can take up agitation against the political organization.

## Findings

From above research it is observed there are similarities and contrasts between commercial and political organizations. Both the organizations have similarities in terms of having a structure, defined roles and responsibilities. Both the type of organizations have similarities in terms of having competitors, Media, dealing with environmentalist, special interest groups. There are major differences w.r.to employees, customers and ownership and connect with local community organizations. In the contemporary world which is dominated by corporates and capitalism, it is but natural that political organizations adopt the characteristics of commercial organizations.

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