

The crucial role of politically savvy supply chain managers for internal integration

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Internal integration has become a key focus for most firms. In fact, integration has *always* been vital, but the growing strategic focus on Supply Chain Management (SCM) has placed more emphasis on the importance of integration. Since the hallmark of effective SCM is coordinated processes and seamless flows, firms have found it necessary to invest in initiatives and technologies that improve internal integration. In theory, this is a great idea... SCM effectiveness is vital to firm performance, and integration is key for SCM effectiveness. Makes sense!

Notwithstanding its strategic importance, both anecdotal evidence and academic research consistently show that firms often struggle with successful implementation of internal integration initiatives. In short, internal cross-functional integration is tough; and, there are a myriad of reasons to explain why integration has proven to be such a feat. One of the most pervasive is firm culture, with “organisational politics” being an aspect of firm culture that has been shown to consistently undermine initiatives like integration.

First, let’s set the record straight. All firms are political, to some degree. This means that companies are generally populated by the “game players” ...those who pursue their own interests, often at the expense of working well with others. As such, it stands to reason that the more political a firm’s culture is, the less integrated it will be. Highly political organisations are likely to be full of fiefdoms and departmental agendas, where harmony and alignment that is characteristic of integration is unlikely to occur. Recent findings from our research corroborate this idea...as perceptions of politics increased within the firms we researched, participants reported lower levels of integration. However, we also found that the presence of a key executive in a firm can extinguish the “disintegration” that is characteristic of political corporate cultures...the Top Supply Chain Management Executive.

Our findings, based on a survey of 145 operational-level employees, suggest that designating a top SCM executive, in and of itself, will not necessarily influence the political infrastructure of the firm. Unless the SCM executive is “politically skilled.” Stated differently, supply chain executives that are knowledgeable on how to effectively

navigate and leverage the politics of the firm are likely to be able to harness the political nature of the firm toward integration efforts.

Allow us to elaborate...when a supply chain executive is politically skilled, they possess the ability to read social cues and strategically alter their behaviour accordingly. The ultimate purpose of leveraging political skill is to gain influence within firms in order to advance a personal agenda. As such, those who are politically skilled are shown to possess several “sub-skills”: social astuteness, interpersonal influence, networking ability, and apparent sincerity. These complementary skills help explain why and how individuals are successful at navigating and achieving their desired outcomes within political organisations. They are most likely savvy politicians.

So, you may be wondering...how? How does the political skill of the top SCM executive within firms impact integration? Well, our findings suggest that firms with supply chain executives that are more politically skilled than their executive counterparts are also more likely to have a firm-wide strategic emphasis on the importance of SCM. THIS is the primary mechanism that drives integration. When firms embrace SCM, they tend to integrate more. Our findings suggest that a key driver of embracing SCM is a politically skilled SCM executive that has a knack for manoeuvring through the political terrain effectively. Such a person will most likely be successful at advocating for a strategic focus on SCM, which inherently yields increased integration.

Our research also reinforces the importance of harnessing politics within organisations. While it is a given that most firms will be impacted by politics, the brunt of academic research suggests that politics are generally detrimental. For example, when firms are highly political, absenteeism is more likely, turnover rates are higher, and overall morale suffers. Our study highlights the ability for positive outcomes to emerge (i.e. strategic focus and internal integration), particularly when top executives are perceived as able to harness and leverage the political infrastructure.

The word “perceived” is also noteworthy. Our study doesn’t assess the “actual” political skill of top supply chain executives...nor do we measure the executive’s self-assessment of their own political savvy. We investigate the extent to which SCM executives have a reputation for being politically skilled. By measuring the executive’s political skill from the vantage point of operational-level employees within firms, we explore the impact of simply being perceived as possessing the ability to successfully navigate the political environment. As the findings illustrate, the mere perception of executives being politically skilled is impactful and robust.

So, what does it all mean? Perhaps the most significant take-away is that accumulated technical expertise is not enough for those with their eyes set on the top SCM executive spot. Social skills and political capabilities are also vital for success at this level. Moreover, firms looking to fill such a slot should not only assess the supply chain-related knowledge and decision-making skills of candidates, but also their ability to engage socially.

The findings also reinforce the importance of a strategic focus on SCM. It is likely that firms find internal integration difficult to accomplish because their strategic imperatives don’t emphasize integration. One of the most expedient means of suggesting the strategic importance of SCM is to designate a top executive to oversee supply chain activities. However, this doesn’t necessarily precipitate integration at the operational-level. Such integration is more likely a result of a firm-wide embracing of SCM, which is much more probable when top SCM executives are able to extinguish the disintegration associated with firm politics.



Notes:

- This blog post is based on the authors’ paper [Leader or Lobbyist? How Organizational Politics and Top Supply Chain Manager Political Skill Impacts Supply Chain Orientation and Internal Integration](#), in the *Journal of Supply Chain Management*, Volume 52, Issue 4, October 2016, Pages 42–62
- The post gives the views of its author, not the position of LSE Business Review or the London School of

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