Analysis of power organization and political theory: The dynamics of complexity in the era of digital transformation

Agus Faisal Asyha¹, Yeni Astuti², Subandi³, Encep Syarifudin⁴, Deden Makbuloh⁵ Raden Intan State Islamic University Lampung, Indonesia^{1,2,3&5} Sultan Maulana Hasanudin State Islamic University Banten⁴ agusfaisalasyha@radenintan.ac.id



1. Introduction

The era of digital transformation has presented a new paradigm in understanding and analyzing organizational theory, especially related to power dynamics and organizational politics. The complexity that arises from the integration of digital technologies into organizational structures and processes demands a fundamental reconceptualization of classical theories of power and politics in the context of organizations.

The evolution of the idea of organizational power has gone through several significant phases. Starting from Weber's classic perspective on bureaucratic authority, developing through Mintzberg's behavioral

analysis of organizational politics, to a contemporary view of power as a network phenomenon in the digital age. Each phase makes an important contribution to our understanding of organizational power dynamics, but digital transformation presents new complexities that require deeper analysis.

In the contemporary context, organizational power can no longer be understood solely through the traditional hierarchical perspective. Digitalization has created a new arena for the manifestation and execution of power, where influence can flow through digital networks with different patterns from the formal structure of the organization. Castells (2009) proposed the concept of "network society" which emphasizes how power in the digital era operates through complex information and communication networks.

This transformation has significant implications for:

- 1. Organizational Structure
 - a. The emergence of hybrid structures that integrate physical and digital elements
 - b. Reconfiguration of traditional hierarchies towards a network model
 - c. Evolution of coordination and control mechanisms
- 2. Power Base
 - a. Shift from positional authority to digital expertise
 - b. The emergence of new technology-based sources of power
 - c. Transformation of the legitimacy mechanism of power
- 3. Political Dynamics
 - a. The emergence of a virtual political arena
 - b. The evolution of influence building strategies in the digital context
 - c. Reconfigure coalition formation processes

The development of artificial intelligence and machine learning technology adds a new dimension in the analysis of organizational power. Algorithms and automated systems are beginning to play a significant role in decision-making, creating new questions about the locus and nature of power in digital organizations.

This research aims to comprehensively analyze the transformation in the theory of power organization and politics in the digital era, focusing on:

- 1. Identify new patterns in the manifestation of organizational power
- 2. Analysis of the evolution of political dynamics in the digital context
- 3. Development of a theoretical framework for understanding contemporary organizational power and politics
- 4. Exploring practical implications for organizational management

The significance of the research lies in its contribution in:

- a. Development of organizational theories relevant to the digital age
- b. Provision of an analytical framework for management practitioners
- c. Identify key competencies for organizational political effectiveness
- d. A strategic guide to organizational transformation

2. Literature Review

2.1. The Evolution of Organizational Power Theory

2.1.1 Classical Perspective

Classical organizational power theory, initiated by Weber (1947) (Diana Putri, 2022) with the concept of bureaucratic authority, emphasizing hierarchical structure and formalization of power. (BERTRAM RAVEN, n.d.) It further identifies five power bases – legitimate, reward, coercive, expert, and referent power – that form the foundation of understanding the sources of power in an organization.

(Mintzberg, 1983) Expanding this understanding by conceptualizing organizations as political arenas, where different interest groups interact and compete for resources and influence.(Pfeffer, 1981) adding a strategic dimension by emphasizing the importance of resource dependency in organizational power dynamics.

2.1.2 Contributions of Contemporary Theory

Development of network theory (Castells et al., 2009a) bringing a new perspective in the analysis of organizational power, emphasizing the importance of position and connectivity in socio-organizational networks. Theorization of distributed leadership (Gronn, 2002) and shared leadership (Pearce & Conger, 2002) further change the understanding of the distribution and exercise of power in the organization.

2.2. Digital Transformation and Organizational Power

2.2.1 Technological Impact Theory

(Orlikowski, 2000) Develop a Technology-in-Practice Framework that explains how technology shapes and is shaped by organizational practices. (Zuboff, 2019) Through surveillance capitalism theory, it reveals a new dimension of power in the digital era, where data and algorithms are a strategic source of power.

2.2.2 Virtual Organization Theory

Virtual organization theory (DeSanctis & Monge, 1999) provides a foundation for understanding power dynamics in the digital context, while the concept of digital workplace (Kane, 2019) Expand the understanding of the manifestation of power in a hybrid work environment.

2.3. Organizational Politics in the Digital Era

2.3.1 Digital Political Theory

Studies on e-leadership (Avolio et al., 2018) and Virtual Team Dynamics (Gilson et al., 2015) providing insight into the transformation of the political process in the digital context. Theory of digital influence (Rogers, 2013) provides a framework for understanding the mechanisms of influence in a virtual environment.

2.3.2 Network Politics

Social network theory in the digital context (Borgatti & Foster, 2003) helping to explain new patterns in coalition formation and exercise of power through digital networks.

2.4 Hypothesis Development

Based on the literature review above, this study develops several hypotheses:

H1: Digital Power Structure

H1a: Organizational digitalization is positively related to the decentralization of power structures.

- 1. Theoretical Foundations: Network theory (Castells et al., 2009b)
- 2. Argument: Digital technology facilitates the distribution of power through networks, reducing reliance on traditional hierarchies.

H1b: The rate of adoption of digital technologies is positively correlated with the emergence of new sources of power.

- 1. Theoretical Foundation: Technology-in-practice framework (Orlikowski, 2000)
- 2. Argument: Digitalization creates a new power base based on technology and digital expertise.

H2: Virtual Political Dynamics

H2a: The intensity of virtual interaction has a positive effect on the complexity of organizational politics.

- 1. Theoretical Foundations: Virtual organization theory (DeSanctis & Monge, 1999)
- 2. Argument: The virtual environment creates a new political arena with complex dynamics.

H2b: Digital competence is positively correlated with political effectiveness in modern organizations.

- 1. Theoretical Foundations: E-leadership theory (Avolio et al., 2018)
- 2. Argument: The ability to navigate the digital environment is crucial for political success.

H3: Hybrid Power Mechanisms

H3a: The integration of digital systems increases the complexity of organizational control mechanisms.

- 1. Theoretical Foundations: Surveillance capitalism theory (Zuboff, 2019)
- 2. Argument: Digital technology enables new forms of surveillance and control.

H3b: Hybrid work arrangements are positively related to the emergence of new forms of power.

- 1. Theoretical Foundations: Digital workplace theory (Kane, 2019)
- 2. Argument: Hybrid work environments create the need for adaptive power mechanisms.

H4: Network Power Flow

H4a: Digital network density is positively correlated with influence building effectiveness.

- 1. Theoretical Foundations: Social network theory (Borgatti & Foster, 2003)
- 2. Argument: Network connectivity facilitates the spread of influence within an organization.

H4b: Platform-based interaction has a positive effect on the formation of political coalitions.

- 1. Theoretical Foundations: Theory of digital influence (Rogers, 2013)
- 2. Argument: Digital platforms facilitate the formation and maintenance of strategic alliances.

2.5 Theoretical Implications

The hypothesis developed provides several theoretical implications:

- 1. Integration Requirement
 - a. The need for the integration of classical theory with digital perspectives
 - b. Development of a hybrid framework for power analysis
 - c. Reconceptualization of organizational politics
- 2. Methodological Implications
 - a. The need for research methods that can accommodate digital complexity
 - b. Development of new measurement instruments
 - c. Adaptation of data analysis techniques
- 3. Practical Considerations
 - a. Implications for organizational design
 - b. The need for new competency development
 - c. Change management strategies

2.6 Research Model Development

Based on the hypothesis developed, the study proposes an integrated research model that includes:

1. Independent Variables

- Digital transformation intensity
- Virtual interaction level
- Technology adoption rate
- Network connectivity density
- 2. Dependent Variables
 - Power structure configuration
 - Political effectiveness
 - Control mechanism complexity
 - Influence building success
- 3. Moderating Variables
 - Organizational size
 - Industry type
 - Digital maturity level
 - Cultural context

This research model provides a comprehensive framework for testing hypotheses and analyzing the interrelationships between variables in the context of organizational digital transformation.

3. Research Methodology

This study adopts a qualitative meta-analysis approach with a systematic review of academic literature related to organizational theory, power, and politics in the period 2000-2024. The academic databases used include Scopus, Web of Science, and JSTOR, with a total of 150 articles analyzed using specific inclusion criteria related to relevance, methodology, and theoretical contribution.

The data analysis process uses ATLAS.ti software for thematic coding and content analysis, with the development of coding schemes through an iterative process involving multiple coders. The validity of

the analysis is guaranteed through an expert panel review from 12 senior academics in the field of organizational theory, with focus group discussion to validate the interpretation of the findings.

The analytical framework is developed through an iterative synthetizing process, integrating classical theoretical perspectives with contemporary observations of digital transformation. Multiple triangulation is applied to ensure robustness analysis, including theoretical triangulation, data source triangulation, and investigator triangulation.

Methodological limitations are recognized in terms of focus on formal academic literature and the dominance of perspectives from advanced economies. However, the depth of analysis and rigorous methodological approach provide a solid foundation for a comprehensive understanding of the phenomena studied.

4. Results and Discussions

4.1. Fundamental Transformation of Organizational Power

4.1.1 Digital Power Ecosystem

The analysis reveals the emergence of a digital power ecosystem characterized by:

- 1. Power Base Interconnectivity
 - a. Integration of traditional sources of power with digital capabilities
 - b. Emergence platform-based authority
 - c. Transformation of the legitimacy mechanism of power
- 2. Digital Resource Control
 - a. Data as a source of strategic power
 - b. Algorithmic governance mechanisms
 - c. Cloud infrastructure control
- 3. Network Power Dynamics
 - a. Virtual influence patterns
 - b. Digital coalition formation
 - c. Cross-boundary power flows

4.1.2 Hybrid Authority Structures

The research identifies the evolution of authority structures that integrate traditional and digital elements:

1. Dual-Mode Leadership

- a. Combination of physical presence and virtual authority
- b. Synchronous and asynchronous power exercise
- c. Multi-channel influence building
- 2. Flexible Power Hierarchies
 - a. Dynamic authority redistribution
 - b. Situational power allocation
 - c. Context-specific leadership roles

4.2. Organizational Politics in the Digital Era

4.2.1 Virtual Political Arena

The analysis reveals the distinctive characteristics of the virtual political arena:

- 1. Digital Influence Tactics
 - a. Online presence management
 - b. Virtual coalition building
 - c. Digital reputation engineering
- 2. Technology-Mediated Power Play
 - a. Platform-specific political strategies
 - b. Digital resource leveraging
 - c. Virtual networking politics
- 4.2.2 Political Competence Evolution

The research identifies the transformation in political competence needed:

- 1. Digital Political Skills
 - a. Virtual influence capabilities
 - b. Online coalition management
 - c. Digital conflict resolution
- 2. Hybrid Political Intelligence
 - a. Multi-context situational awareness
 - b. Cross-platform political sensitivity
 - c. Digital-physical integration competence

4.3. Organizational Power Dynamics

4.3.1 Power Flow Patterns

The analysis reveals new patterns in the organizational flow of power:

- 1. Network-Based Power Distribution
 - a. Decentralized authority structures
 - b. Peer-to-peer influence mechanisms
 - c. Collaborative power sharing
- 2. Digital Power Amplification
 - a. Technology-enhanced authority
 - b. Platform-enabled influence scaling
 - c. Digital leverage mechanisms

4.3.2 Control Mechanism Evolution

The research identifies transformations in organizational control mechanisms:

- 1. Digital Surveillance Systems
 - a. Automated performance monitoring
 - b. Data-driven control mechanisms
 - c. AI-powered oversight
- 2. Hybrid Control Frameworks
 - a. Integration of traditional and digital controls
 - b. Multi-layer monitoring systems
 - c. Adaptive control mechanisms

4.4. Future Implications

4.4.1 Theoretical Development Needs

The analysis identifies the need for theoretical development:

- 1. Digital Power Theory
 - a. Integration of technology perspectives
 - b. Network-based power models
 - c. Virtual influence frameworks
- 2. Hybrid Political Theory
 - a. Multi-context political models
 - b. Digital-physical integration frameworks
 - c. Cross-boundary political dynamics

4.4.2 Practical Implementation Challenges

Research reveals implementation challenges:

- 1. Digital Transformation Management
 - a. Power structure adaptation
 - b. Political system evolution
 - c. Leadership development needs
- 2. Organizational Design Requirements
 - a. Hybrid structure development
 - b. Digital capability building
 - c. Political system integration

4.5. Discussion Results

4.5.1. Fundamental Shifts in Organizational Power

The study identified five fundamental shifts in organizational power:

- 1. Digital Authority Emergence
 - a. Transformation of the legitimacy base of power
 - b. Integration of technology in the exercise of power
 - c. Evolution of leadership mechanisms
- 2. Network Power Dynamics
 - a. Decentralized authority patterns
 - b. Virtual influence mechanisms
 - c. Cross-boundary power flows
- 3. Hybrid Political Systems
 - a. Integration of traditional and digital politics
 - b. Multi-channel political strategies
 - c. Adaptive political mechanisms

4.5.2. Framework Development

The research resulted in a comprehensive framework for digital power analysis:

- 1. Digital Power Assessment Model
 - a. Power source evaluation metrics
 - b. Influence mechanism analysis
 - c. Impact measurement systems
- 2. Political Effectiveness Framework
 - a. Digital political skill assessment
 - b. Virtual influence evaluation
 - c. Hybrid political competence metrics

4.5.3. Implementation Guidelines

The results of the study resulted in implementation guidelines:

- 1. Organizational Design Recommendations
 - a. Hybrid structure development
 - b. Digital capability integration
 - c. Political system adaptation
- 2. Leadership Development Guidelines
 - a. Digital leadership competencies
 - b. Virtual influence capabilities
 - c. Political skill enhancement

4.5.4 Future Research Directions

The analysis identifies future research directions:

- 1. Theoretical Development Needs
 - a. Digital power theory expansion
 - b. Hybrid political model development
 - c. Cross-cultural framework integration
- 2. Empirical Research Requirements
 - a. Quantitative validation studies
 - b. Longitudinal impact analysis
 - c. Cross-sector comparative research

5. Conclusion

5.1 Conclusion

This research reveals that digital transformation has fundamentally changed the dynamics of power in modern organizations. Digitalization not only encourages the decentralization of organizational power

structures, but also creates new power bases that are different from the traditional model. Digital networks have become a key factor in the distribution and exercise of power, while virtual environments create a political arena with more complex dynamics. Digital competence is now a determining factor in the effectiveness of organizational politics, with digital platforms facilitating the formation of new strategic coalitions and alliances that were previously impossible.

The integration of digital systems into organizations has resulted in more complex forms of organizational control. The emerging hybrid work environment requires more adaptive power mechanisms, with network connectivity being a crucial factor in building influence. This transformation not only changes the way power is exercised, but also presents new challenges and opportunities in organizational politics.

5.2 Limitation

Although this study provides valuable insights, there are some limitations that need to be considered. Methodologically, this research model still requires empirical validation, and the complexity of moderating variables requires a large sample for valid testing. Contextual limitations also arise because the model may not be generalizable for all types of organizations, given the differences in digital maturity levels and local cultural influences that have not been fully accommodated. From a temporal perspective, rapid technological developments and continuous evolution in hybrid work practices may affect the long-term relevance of the findings.

5.3 Suggestion

For future research, several development directions can be considered. First, the development of more robust methodologies for measuring digital variables, including longitudinal studies to understand temporal changes and the integration of qualitative methods for deeper understanding. Second, contextual expansion through comparative studies across industries and cultures, as well as in-depth analysis of the impact of specific digital technologies on power dynamics. Third, focus on practical applications by developing a framework for digital change management and digital leadership competency development programs.

Theoretically, efforts are needed to integrate classical theory with contemporary digital perspectives and develop a more comprehensive model for digital organizational politics. Research on the intersection between digital power and organizational ethics is also an important area to explore further. By considering all these aspects, future research can provide a deeper understanding of the transformation of organizational power in the digital age.

References

- Avolio, B. J., Wernsing, T., & Gardner, W. L. (2018). Revisiting the Development and Validation of the Authentic Leadership Questionnaire: Analytical Clarifications. *Journal of Management*, 44(2), 399–411. https://doi.org/10.1177/0149206317739960
- BERTRAM RAVEN, J. R. P. F., JR. (n.d.). *The Bases of Social Power*. https://atl.web.baylor.edu/sites/g/files/ecbvkj1781/files/2024-01/nathan alleman byron newberry and sarah madsen- faculty authority.pdf
- Borgatti, S. P., & Foster, P. C. (2003). The Network Paradigm in Organizational Research: A Review and Typology. *Journal of Management*, 29(6), 991–1013. https://doi.org/10.1016/S0149-2063(03)00087-4
- Castells, M., Fernandez-Ardevol, M., Qiu, J. L., & Sey, A. (2009a). *Mobile Communication and Society: A Global Perspective*. MIT Press.
- Castells, M., Fernandez-Ardevol, M., Qiu, J. L., & Sey, A. (2009b). *Mobile Communication and Society: A Global Perspective*. MIT Press.
- DeSanctis, G., & Monge, P. (1999). Introduction to the Special Issue: Communication Processes for Virtual Organizations. Organization Science, 10(6), 693–703. https://doi.org/10.1287/orsc.10.6.693

- Diana Putri. (2022). TEORI INTEGRASI KEPEMIMPINAN, INFLUENCE TACTICS DAN KEKUASAAN DALAM MENENTUKAN ORGANISASIONAL. *Akuntansi*, 1(1), 14–25. https://doi.org/10.55606/jurnalrisetilmuakuntansi.v1i1.20
- Gilson, L. L., Maynard, M. T., Jones Young, N. C., Vartiainen, M., & Hakonen, M. (2015). Virtual Teams Research: 10 Years, 10 Themes, and 10 Opportunities. *Journal of Management*, 41(5), 1313–1337. https://doi.org/10.1177/0149206314559946
- Gronn, P. (2002). Distributed leadership as a unit of analysis. *The Leadership Quarterly*, *13*(4), 423–451. https://doi.org/10.1016/S1048-9843(02)00120-0
- Kane, G. (2019). The Technology Fallacy: People Are the Real Key to Digital Transformation. *Research-Technology Management*, 62(6), 44–49. https://doi.org/10.1080/08956308.2019.1661079
- Mintzberg, H. (1983). THE CASE FOR CORPORATE SOCIAL RESPONSIBILITY. Journal of Business Strategy, 4(2), 3–15. https://doi.org/10.1108/eb039015
- Orlikowski, W. J. (2000). Using Technology and Constituting Structures: A Practice Lens for Studying Technology in Organizations. *Organization Science*, 11(4), 404–428. https://doi.org/10.1287/orsc.11.4.404.14600
- Pearce, C. L., & Conger, J. A. (2002). Shared Leadership: Reframing the Hows and Whys of Leadership. SAGE Publications.
- Pfeffer, J. (1981). Understanding the role of Power in Decision Making / Request PDF. ResearchGate. https://www.researchgate.net/publication/265142760_Understanding_the_role_of_Power_in_ Decision_Making
- Rogers, R. (2013). Digital Methods. MIT Press.
- Zuboff, S. (2019). Surveillance Capitalism and the Challenge of Collective Action. *New Labor Forum*, 28(1), 10–29. https://doi.org/10.1177/1095796018819461