Extensive Examination of Type- 4 Theory: Resource Dependent Approach

Gladys Owere Onah[1*]   Justin M. Gabriel PhD[2]

Doctoral Candidate, Department of Management, Faculty of Management Sciences, Rivers State University, Nkpolu- Oroworukwo, PMB 5080, Port Harcourt, Nigeria

Lecturer, Department of Management, Faculty of Management Sciences, Rivers State University, Nkpolu - Oroworukwo, PMB 5080, Port Harcourt, Nigeria

Abstract

This paper offers an extensive examination of the Type-4 theory that seeks to address the needs of today's reality through the lens of resource dependence approach. The paper presents a discourse on the features of Type-4 theory and focused on resource as a key factor in power determination and its implications for organizations. The role of resource in power and politics within the organization was also reviewed. It was noted that resource which is mostly external to the organization is most a times linked to its power tussles, a tool to manage uncertainty and decision outcomes and, effectiveness and performance are associated with efficient use of resources. In conclusion, it is affirmed that a firm grip of Type-4 theory is vital for preservation, growth, and survival. Based on our conclusion, we recommend that both profit and non-profit organization that wishes to survive in a contemporary business environment must broaden up to Type-4 theory.

Keywords: Type-4 Theory, Resource Dependence Theory, Power, Politics, Decision-Making

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1. Introduction

The world is relentlessly changing and these changes are reflected in high level of uncertainty, unpredictable events, anxiety, scare resources, chaos, complex and confusing environments which have posed threats and pressure on contemporary managers. To cope with such turbulent environments, managers must be sensitive to both internal and external factors and respond appropriately to remain in business. This is in line with Velciu, Dragoiu, & Mladen (2010) and Weinberg & Cooper (2012) who noted that the rapid pace of changing world has exerted threats; anxiety and pressure on organization and to cope managers are required to envisage a new line of attack for defense.

Thompson (2008) opined that a rapidly changing environment creates turmoil in market conditions that leads to intense competition for scarce resources. This struggle increases the rate of uncertainty and decreases presumption which echoes warning to organizations of the need to get familiar with management thoughts to adopt a suitable theory in addressing key issues that pose threat to a modern organization. Furthermore, he maintained that the major target of managers in a dynamic business environment is to explore an adaptive method to meet up with changes in both external and internal surroundings (Thompson, 2008). Similarly, in a tensed and competitive business environment, it is vital to match the resources and activities of an organization to the environment in which it operates (Johnson, Scholes & Whittington, 2008). In view of the above, Buchanan & Huczynki, (2010) affirmed that to survive in a rapidly changing world, organizations are required to anticipate change and reconfigure itself to suit the change.

Ngambi & Nkemkiafu (2015) predicts that to cope with the rapidly changing environment and to resist the recent universal challenge, managers are required to be proactive to sustain and gain competitive advantage. As of late, numerous organizations are likewise expected to adjust and modify their frameworks to suit the environment expectations and gaps (Carman & Fredericks, 2008). Owing to these observable changes, a refined approach such as type 4 theory is required to address the needs of today's reality.

According to Hampel & Martinsons (2009), management scholars and practitioners are necessitated to derive new approaches to meet the increasingly changing environment. This is because the accomplishment and attainment of organizational goals is a significant issue in the functioning and survival of organizations either profit, non-profit private and public sector organizations. In any case, high organizational effectiveness and performance is verifiably or unequivocally tied to an organization's capability to acquire and make use of essential resources, this is as Rainey (2003) and Scott & Davis (2003), noted that the features, structures, and activities of present-day organizations are considered as substantially connected to their environment.

The external environment is considered to offer the organization a definitive wellspring of materials, advantages, and data, which are all imperative to the continuation of the organization (Scott & Davis, 2003). Resources are important and critical to the organization's functionalities, processes that boost and improve organizational capacities, procedures, systems and overall proficiency and adequacy (Daft, 2001).

Wang, Zhao, & Voss, (2016) asserted that one way through which one can respond to the need of a modern

organization is to empower the organization with both internal and external resources. Consequently, Cole & Kelly (2011) highlighted three approaches through which one could respond to a rapidly changing environment; the Strategic Approach, Positioning Approach, and Resource Base Approach. Hence, this work tends to view type-4 theory through a resource-based approach. However, leaning on Nemati (2010) resource-based approach seeks to address two issues. First, internal dynamics i.e. the utilization of resources and sustaining assets through human resource, while the second focuses on external resources which seek to support uncertainty and scare resources (Resource Dependence Theory). Internal and external resources are needed to function effectively in today's dispensation given the current level of competition and change in the environment. As a result, Baldassarre, Calabretta, Bocken, & Jaskiewicz, (2017) predicts that to function optimally as an organization, it requires the effective and efficient use of resources but we argue here that in utilization of these resources, the underlying issue is to address the external determinants and the constraints from which these resources are obtained which is the key tenet of resource-dependent theory.

Going by this, the resource dependence theory (RDT) offers a theoretical premise that addresses the organization's interactions with its external environment and its dependence on the resources therewith. This paper, therefore, addresses the resource dependence theory as a type-4 theory in management and organizational research. The structure of this paper will look at the concept of type-4 theory, review literature on resources dependent theory, discuss RDT as the base of organizational power, and decision outcome and draw conclusion on basis of the literature reviewed.

2. Concept of Type -4 Theory

Literature exploration speculates divergence view on the label for Type-4 Theory however; they all tend to mean responding to an increasingly changing environment. This is in alignment with Boje, (1999) who opined that a contemporary theory such as type- 4 Theory opt to pose solution to a modern problem. Similarly, Fuat & Nikhilesh, (2006) view postmodernism as a call to recognize and respond to the threat and challenges in modern business environment.

Numerous scholars tag type-4 theory with a different view. For instance, Weihrich, Cannice & Koontz, (2010); Cole & Kelly (2011); tagged type 4 Theory as modern Theory, Fuat & Nikhilesh, (2006); labeled it postmodern theory, Daft (2009) tagged the traditional workplace to modernism and contemporary workplace to mean post-modernism. Clegg (1992) views postmodernism as a more recent approach to management that rejects the normal systems approach and seeks to give an explanation to how the reactions in the environment influence the behavior of various stakeholders and why they act the way they do. A recent work of Ding & Huang (2019) maintained that understanding the behavior of various stakeholders be it users, providers, influencers Government, etc is to be familiar with their needs, understand the motive behind such need and gain relevance.

Laying the long arguments to rest, we build on Boje, Rosile, & Gardner (2007) who argued that postmodern could mean something after modern. More so, Gianni Vattimo as cited in Boje, Rosile, & Gardner (2007) explains that modernism is a continuous thing that has no end. Antonio & Kellner (1994) argued that postmodern theory is informed by modern theory. Similarly, Kilduff & Mehra (1997) contends that theorizing postmodernism is an inexperienced way of thinking and a dream that can never reach reality as modernism must end for postmodernism to start. Boje & Dennehy (1993) pointed that organizations are a mixture of pre-modern, modern, and postmodern experience. Building on the above, one could suggest that modern theories complements and does not override pre-modern theories. The gap here is the continuous identification of new challenges amidst change and the search for a suitable ways to respond to them. This is congruence with Jongbloed & Goedegebuure (2001), who maintained that the alteration in the business environment has necessitated new approaches to management and even older approaches have taken a new meaning.

According to Weihrich *et al.*, (2010), the emergence of most management theories is to continuously find better ways to manage human activities with concern to improving productivity, effectiveness, and efficiency. For instance the classical theory focused on formal structure and work processes with little or no attention to human factor, neo-classical focused on social processes and informal organization with special emphasis on human factor, systems theory views organization as a part of a larger environment with which they interact as a system and so organization are not just affected by human factor but also technical, political, and economic factors etc. In the 70s an extension of systems theory was reached that, there is no one best way to management practices but the application of a particular theory is a function of the situation, hence contingency theory erupted as an extension of systems theory (Cole & Kelly, 2011).

Leaning on the foregoing, we could suggest that type-4 theory complements the systems approach in that as organization interacts with other factors they also react to the rapidly changing environment capable of posing threat to the organizational success and survival if not promptly addressed. This assertion is supported by Luftman & Jerry, (2004) who maintained that the increased speed of technological change and the outcome of various interactions in the organizational system have produced a persistent pressure capable of rendering

strategies out of date if not promptly addressed (Luftman *et al.*, 2004).

Siggelkow & Rivikin, (2005) insisted that environmental reactions such as competitors struggle for survival, the velocity of technological change and irregular customers demand is attributed to the increasingly changing environment. Consequently, Goodridge, (2009) concluded that the best way to respond to the current fast-changing environment is by complementing the previous approaches to management thoughts and identify and fill up gaps to meet the present need in order to validate the future. Accordingly, Weihrich, *et al.*, (2010) described management as a jungle where the feat of an organization is tied to its ability to understand the dynamics of the environment and know when to shift and apply a relevant theory.

Cole *et al.*, (2011) describes Type- 4 Theory as a collection of modern theories irrespective of their central focus, aimed at addressing key issues facing modern organization, driven by a concern to respond to changes in internal and external environment to meet up with the competitive demand of its various stakeholders. Khumalo & Lingen (2017) revealed that some key issues facing modern organization is adapting to changes in the business environment to have a competitive advantage and the ability to meet customers demand. Cole *et al,* (2011) noted that key issues facing a rapidly changing business environment is the rapid advances in technology which has revolutionized the activity and processes in rendering goods and services to customers, the increased competition due to scare resources and increased expectation of customers demand. The rapid pace of advances in technology has altered the workplace processes, and new ways are derived to handle the task which has to exert some high level of influence on task responsibility (Madsen, 2005; Morgan, 2014; Kwok, 2014).

Equally, Alameri (2013) found that changes in technology have both negative and positive implications that both motivate and de-motivate employees. As a result, new ways is been derived to exploit information technology (IT) such as artificial intelligence to create jobs by harmonizing human resources to support technology to sustain businesses rather than replacing employees and relieving them of their duties (Gibbs, 2017). Customers are considered very important to the growth and profitability of an organization hence, meeting customers' needs through the acquisition and utilization of resources is vital to sustainable improvement (Galloway, Miller, Sahaym, & Arthurs, 2017).

Similarly, (Ghosh, Kato & Morita, 2017) maintained that organizations are required to change along the rapidly changing environment by shifting focus from closed to open innovation in a technology-driven environment. This is to say in a contemporary business environment it is no longer enough to only think of how to become profitable but also to find out how technological advances are changing customer's behavior, experiences, and thinking and finding ways to meeting their needs and expectations. For instance, the contemporary customer would prefer one single product that meets all his needs and prefer to be in charge of their transaction online real-time provided the organization provides them with a reliable platform to carry out such operations.

In a technology-driven era customers are exposed to lots of information that has altered their perception from passive users to a more active co-producer as they are no longer satisfied with standardized products and this has intrigue business mangers to put into consideration customers needs, experience, observation, demand, expectations and preferences in the choice of products, services and innovative activities (Rosell, Lakemond, Nazli & Wasti ,2014). In the same way, Ernst (2002), stressed that customer participation in the modernization of products and services play a vital role in addressing key issues facing modern organization such as uncertainty, that customers expectation could change in an unexpected manner exposing organizations to a high level of uncertainty (Nogueira, Juan & Raz, 2006). Hence, organizations are now responding to customers' needs by producing base on customers' feedback in a faster, cheaper and easiest way to access such products which is setting an unmatchable pace for competitive advantage (Parida, Patel, Frishammar, & Wincent, 2017).

Another key issue bogging a modern organization is the issue of scare resources, as some scholars rightly noted that land is relatively static compared to the danger of an increasing population (Smith, Cotrufo, Rumpel, Paustian, Kuikman, & Elliott, 2015). Correspondingly, Weizsacker, (2003) comments that the increased population has put pressure on the growing demand for resources as the few available resources are no longer enough to support their growing numbers. This is because resource acquisition is a key determinant in organization survival to stay competitive in a modern era (Ding & Huang, 2019).

3. The Dependence Resource Theory

Studies (Kotabe 1992; Pfeffer & Salancik 2003; Donaldson & O'Toole, 2007), argued that resources that are possessed by partners and which organization need underlie the connections between the organization and the partner which is the centre of resource dependence theory. The essential suppositions of the theory were illustrated by Pfeffer & Salancik (1978) in their book titled the Outer Control of Organizations: A Resource Dependence Perspective. The pro-pounders call attention to the fact that in the writing and the board practice significantly more consideration is paid to the issue of expanding the viability and effectiveness of resource use, overlooking the equivalent which is a serious issue in acquiring resources from the environment.

According to Pfeffer & Salancik, (1978) Resource dependence theory maintained that, the control of crucial

resources creates power such as autonomy, dependence, and interdependence between organizations and their environmental context. In other words, the goal of an organization is to minimize its dependence on other organizations for the supply of scarce resources in its environment. For instance, a shop that sells bread as well as owns a bakery is said to have reduced its dependence on the bakery. Similarly, a farmer that owns a restaurant alongside a garden, fish farm, poultry is said to have minimized it reliant on market.

The open systems approach focuses on organizational conditions and interdependency with its environment as a noteworthy instrument for understanding organizational activities and structures (Gollmar, 2008). For instance, the "systems resource approach" centers on the capacity to acquire rare and esteemed resources as opposed to accomplishing the organizational objectives and to help organizational usefulness (Gollmar, 2008). As it were, the procurement of esteemed resources implies the achievement or high viability of an organization in the systems resource approach.

From this view of organizations as an open system, the environment or the operational context is thought of as a significant factor in the continuity and mortality of the organization (Scott & Davis, 2003). Despite the fact that such organizations may have all the required capital or technologies for functionality, its relationship and the content of its interaction with the environment is essential to its survival and success (Pfeffer & Salancik, 2003; Scott & Davis, 2003).

Resource Dependence Theory (RDT) as an open systems approach argued that organizations are installed in systems and their behaviors, success and mortality is premised on their relationship with their environment as the action of one party plays a vital role in affecting the chances of success or failure of the other (Power, 2002) and such systems and relations can be comprehended as a result of inter-organizational dependence and imperatives (Pfeffer, & Salancik 1987). Under the RDT, organizational conduct, activities, and effectiveness (achievement) are halfway clarified by the conditions or setting which gives or provides basic resources to them. From this point, organizations are not only internally driven but also externally based dependent (Wang, Zhao, & Voss, 2016).

An organization attempts to trade resources that are required for its prosperity or survival. In particular, organizations acquire the basic resources through adjusting to settings or situations, lessening vulnerability for limiting their dependence on outside organizations, and amplifying the dependence of different actors on them. This follows the conceptualization of Resource Dependence Patterns by organizations (Pfeffer & Salancik, 2003). In view of the foregoing, Lan (1991) maintained that the wealth of resource owned by one organization determined and shape the rapport that exist between them which ultimately manipulate the achievement of goals, objectives and overall survival.

The resource could be depicted as a substantial or impalpable factor that organizations require for collaborations with their environment and other organizations as well. It also enables the organizations to get in a trade with others within the same environment. According to Barney & Arikan (2001), resources are described as the ''tangible and intangible assets firms use to implement their strategies. Saidel (1994) presented six sorts of resources for both profit and non-profit organizations which includes; incomes, data (innovation), creativity, skills, information, and political help. Drawing from Hite, Mugimu & Hite, (2002), he highlighted six forms of resources; tangible resources which are physical materials used for production, human resources which comprise abilities, skills, creativity, and employee's effort, intellectual resources which consist of the information, knowledge, thinking skills, and problem-solving abilities of the people involved in an activity, social/emotional resources which refers to the encouragement and support employees get from the organization, political resources which encompass the extent of legitimacy, reputation and prestige that gives one organization a competitive advantage over the other, social capital resources entail the ability to exchange resources based on relationship .

The level of aggressiveness to get basic resources can straightforwardly or by implication influence organizational conduct and effectiveness. Rivalry for resources makes organizations increasingly trustworthy given their exchanges with both internal and external partners or parties that control required or necessary resources. Consequently, organizations are probably going to change or review their forms of leadership and objective setting to fulfill the needs of various stakeholders or partners.

3.1 Resource as the Basis of Power and Decision Outcomes

Nemati *et al.*, (2010), maintained that before deciding on resource acquisition it is important to consider the uncertainty and the status of availability of such resources and Gerald & Hodgkinson (2002), holds that critical thinking and analysis is required to decide amid uncertainty and scarcity of resources. Elbanna & Child, (2007) added that decision making in an uncertainty entails getting available and useful information about the context in the shortest time to gain a solution because such decision is taken in a sudden and unplanned manner. Political behavior allows decision-makers to reach effective decisions in situations characterized by uncertainty through direct matching the value of such resources compared to possible options (Lipshitz, Klein, Orasanu, & Salas, 2001).

No organization irrespective of its status is independent as all organizations in one form or the other interact and relate with their environment, hence open systems. They are consistently entering different sorts of trade exchanges with the environment. RDT expects that dependence on basic resources impacts the different activities of organizations and this reliance significantly connects the organization to its environment (Hillman, 2005). In the assessment of Pfeffer & Salancik (2003) the need for acquiring resources from nature isn't an issue for organizations; the issue, in any case, is the dynamics of the environment from which resources are gotten, for example, scarcity which can limit access to resources (Pfeffer & Salancik 2003). Resource dependence theory depends on the conviction that resource suppliers may impact the actions or activities of the organization to achieve their desires. Van & Boone (2006) opined that one way an organization can minimize its dependence is its ability to establish benefiting relationships that persist clear advantage aimed at finding a greater certainty in accessing resources with the other party in other to gain power and autonomy or influence over the other party.

Therefore, the manager's goal is to distinguish the groups and various environment as well as the resources which the organization needs to pick up from the specific environment. The manager needs to likewise evaluate the significance of interests of various parties and the available resources for organizational action. Rainey, (2003) opined that to build an efficient organization, the role of the managers is to gather detailed information and critically analyze it to satisfy the interest of the organization. This is to say, it is the manager's responsibility to determine how crucial a resource is to the organization that wishes to acquire them, the status of its availability, the alternatives, what it will takes to access such resources and the value such resources will add to them. In the same view Bouquet & Birkinshaw (2008) added that in resource acquisition, it is vital to know the source and the policies guiding such resources to prove the legitimacy. Hence, the organization ought to make alliances with specific groups to fulfill the organization's goal of resource utilization. Various groups may have clashing interests and expectations of the organization, the manager should distinguish between expectations or positive and negative effects (Pfeffer & Salancik 2003).

The resource dependency theory centres on the organization's capacity to take positive decisions to build up connections to get to resources (Van & Boone 2006). Resource dependence theory expects that the organization settles on dynamic decisions to accomplish targets. A noteworthy principle of resource dependence theory is resource shortage, bringing about numerous organizations seeking the equivalent or comparative arrangements of rare resources. Going with the position of Barney & Arikan (2001), resources are additionally depicted as the unmistakable and immaterial resources firms use to pursue and execute their objectives. This is to say, firms are dependent on various operational contexts in their bid to acquire resources. To carry on, firms need to acquire resources from (various groups, parties or partners) within the environment.

The successful organization will act to diminish or build its dimension of dependence on those highly functional groups or parties within its environment, through activities, for example, partnerships or joint ventures. For instance, as clients progressively look for internationally organized sourcing (Kotabe, 1992), firms react by making unions fortify associations with key clients (Pfeffer & Salancik 2003) even extending their services outside their direct contexts. This is the reason a large number of Toyota's Japan-based parts providers set up activities close to Toyota's vehicle fabricating office in Kentucky.

Resource dependence theory can likewise be considered as an organization's desire to get resources required for survival (Tesfom, Lutz, & Ghauri, 2004). Most organizations including non-profit are also expected to demonstrate their levels of viability through their ability to effectively source for resources and integrate themselves into their operational context. For instance, this pattern is very much reflected in the expansion of ventures, localization of services and even the ability of the organization to grow and increase its presence within a particular context (Smith, 2010; Heinrich & Choi, 2007). In such a manner, resource dependence theory clarifies how organization localization in an alluring home market can help the amassing of resources that are required for its existence. A huge assortment of experimental research explores how SMEs resource base effects trade action (Akoorie & Enderwick 1992; Autio, Sapienza, & Almeida, 2000; Tesfom *et al*., 2004); nonetheless, little is thought about the connection between the accessibility of resources in the home market and firm performance or mortality.

Expanding on the resource dependence theory, it is normal that organizations are dependent upon the home market to acquire resources required for survival and may profit when home situations are positive and contain esteemed resources. It is additionally a valid thought that as organizations, for example, SMEs have restricted firm resources, especially when contrasted with huge multinationals, they might especially be dependent on the resources that are seen to be accessible in their nation of origin.

Porter (1998) depicts how firms situated in national markets appreciate certain government support. Two key parts are the nearness of related and supporting markets (e.g., nearness of clients and providers) and certain factor conditions (e.g., accessibility of capital, information, innovation, resources, legitimate assurance of property rights and nature of government support and guideline for business). Based on the author's position, it is normal that the favorability of home market industry and factor conditions can improve or compel the capacities of organizations' functionality. This is as most organizations frequently rely upon their home market

conditions for acquiring the money, innovation and crude material resources required for performance, and organizations will profit when these resources are seen to be generally accessible and effectively available in the home market. Likewise, most organizations rely on generation costs in the home condition, and when such expenses are seen to be good in the home market, the inclination to operate therein may increase since organizations might not be ready to grow globally, at any rate, the extent of that is considered as costly.

A company's capacity to perform may likewise rely on the degree of home market licensed innovation protection (IP): Organizations situated in home markets with solid IP rights insurance may have a sufficient setting for creating global focused items or services. Conversely, SMEs situated in home markets with weak visibility within the industry and poor factor conditions might be unfit to build up connections important to verify the "right" resource groups to seek after global markets.

3.1.1 Dependence Resource Theory in Power and Politics Relation

Basic leadership is firmly identified with power and centralization because essentially, it is for the issue of who decides on organizational issues. Centralization implies the level of control that organizational leaders have (Moon, 2009; Rainey, 2003). In an incorporated organization, chiefs or directors have more control over others in that leaders or supervisors regularly reserve the privilege to settle on choices for significant organizational issues.

Since all dimensions of structure offer power, participatory and adaptable leadership would be more effective in a decentralized organization (Kim, 2007). The current paper proposes that the level of intensity and centralization is principally dictated by internal relations and structural elements. In any case, the RDT accept that leadership isn't free from the given social setting (i.e., the unique situation) which compels and dictates leadership forms (Pfeffer & Salancik, 2003). In this manner, organizational activities and conduct just spotlight on achieving inward cohesion, exchanges, and cooperation (Donaldson & O'Toole 2007). For structure proficient organizations, the job of organizational leaders and directors is to assemble point by point data on work forms, examine it, and infer standards and rules for the most effective approach to play out the required undertakings (Rainey, 2003). From the discerning viewpoint, the activities or behavior of an organization and its members are viewed as purposive, expected, and compelled.

Pfeffer (1987) affirmed that organizational behavior isn't always identified with the thought of productivity or profit. Under the Resource Dependence Theory (RDT), likenesses and contrasts of organizational activities and structures are influenced by both the internal and external factors and parties who are related to basic resources (Neinhuser, 2008; Pfeffer & Salancik, 2003). The RDT expects that control of basic resources brings about power issues, among organizations and their natural settings. The built-up power relations impact numerous organizational activities. For instance, Kim (2007) contends that individual organizations' self-rule in the procedures of systems and leadership are generally feeble when the umbrella organizations or affiliations control their basic resources. Numerous organizational activities are identified with endeavors to decrease the environmental vulnerability that organizations face. That is, open, profit or non-profit organizations attempt to acquire sufficient resources that they need and, at the same time, to lessen the impact of the condition through the flexibility in their structure and activities. Pfeffer & Salancik (2003) viewed vulnerability as the exposition of future conditions to other actors for easy anticipation

This is as Neinhuser (2008) investigated the connection between sorts of resources (open or private assets) and organizational structures in general and private schools and colleges. She uncovered an abnormal state of natural vulnerability (i.e., an organization) has substantial resource dependence on its environmental settings which results in an abnormal state of significant distinction in schools and colleges. Consequently, there was a negative connection between organizational insecurity in resource acquisition and the managerial cost of pursuing after external resources (Pfeffer & Salancik, 2003).

Furthermore, Vigoda, Vinarski & Zion (2003) describe organizational politics as the unique domain of interpersonal relations in the workplace. In buttressing these views, Bacharach (2005) noted that politics is an essential skill for managers to win support and get the result. The organizations that have control over critical resources have the advantage to set clear rules for those that will like to access these resources Vigoda-Gadot & Drory, (2006) and the pace of internal organizational politics may be relative to the external competitive demands. The author further maintained that the sole reason people engage in political behavior is to have a favorable outcome and satisfy their self-interest. Although Vredenburgh and Shea-VanFossen (2010) opined that politics is an inherent attribute in man nevertheless, not all traits are entirely genetic in origin, some are derived through interaction to access resources, power and the quest to triumph over certain situations. Consequently, Hite & Hesterly (2001) reiterate that resource acquisition is linked to power and network relationships.

The reason why organizations enter into a relationship with the other is to have access to their resources (Ivens, Sven, Pardo, Robert, & Bernard, 2009) and the basis for this is that no one actor is self-sufficient as resources are inherent in all organization (Gadde, Lars, & Hakan (2003). Similarly, Zolkiewski & Turnbull (2000) stated that the motive behind every business relationship is for a political reason to satisfy an interest. Accordingly, Gadde *et al* (2003) noted that the reason to build a network with another organization is to gain

penetration to secure crucial resources and gain competitive advantage.

The power of an organization is more profound if the policy guiding such resources is constrained by some conditions which increase the uncertainty in accessing the resources. In affirmation to this assertion, Nooraie, (2008) confirmed that uncertainty arises when critical resources are scared. According to Pfeffer & Salancik, (1987) organizational power is the direct function of the extent to which the organization controls crucial resources. The authors opined that one strategy to gain power is to merge or acquire the organization that controls critical resources of which they are progressively dependent on to reduce their dependence and increase their power. The logic behind power control is the consciousness of critical resources and the right timing to exploit its value.

Organizations that own resources have power over their counterparts only if they realize how to use it to control the activities of other organizations. The power of an organization is constituted in the relevance of its activities to other actors and the perceived significance of such activity to be critical hence the context of power is opened to every organization that exhibits relevance. This position is supported by Galloway *et al*, (2017) who noted that resources are sources of dominance and power when it attracts competitors as a vital element for survival

Resources can be seemingly minor however if such resources become vital for the existence of another actor such resources can be considered critical. Many key actors could exist within an organization such as individual skill or performance however power derived from such skill is attributed to the critical activity of the individual rather than the individual (Pfeffer & Salancik, 2003). For instance, a single lecturer out of ten others in the research field could be said to be more critical than nine others in the HR field. The difference here is that one is scarce and critical while the other is in abundance with alternatives. According to Galloway *et al*, (2017) resources can be said to exert power when such resources are scarce, critical and surrounded by uncertainty which gives it credence for competition.

4. Conclusion

This paper critically examines the Type-4 Theory as an indispensable approach to respond to key issues emanating from a fast-changing environment capable of altering activities in the business settings. Extensive literature exploration revealed that effectiveness and performance are associated with efficient use of resources and the external environment is seen as the key determinant from which resources are obtained for the smooth running of the internal activities. Resources are viewed as the driving force behind most decisions and behaviors. Most relationships are defined by the expectations of parties towards accessing resource. The resource dependency theory explains the behavior and actions of organizational members from the standpoint of external resources. In its premise, it also identifies power distributions and influence as resulting and as being defined by the ownership or access to resources considered as being scarce. In conclusion, it is affirmed that a firm grip of Type-4 theory is a necessity for contemporary managers and while behaviors or inclinations geared towards politicking and control of scarce resources may be considered as selfish, it is, however, rational and follows a sense of preservation, growth, and survival, which are some of the key tenets of competitiveness, and performance within the field of social research. Based on our conclusion, we recommend that both profit and non-profit organization that wishes to survive must broaden up to Type-4 theory to remain in business.

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