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UNIT-III [PART- C]

[CONFLICT AND NEGOTIATIONS]

ORGANIZATIONAL BEHAVIOUR

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UNIT-III-(C-1) - CONFLICT AND NEGOTIATIONS

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1. CONFLICT

All of us have experienced conflict of various types, yet we probably fail to recognize the variety of conflicts that occur in organisations. Conflict can be a serious problem in any organisation. A better understanding of the important areas of conflict will help managers to use the people in the organisation more effectively to reach the organisation's objectives

1.1 Definition of Conflict

One of the problems in organisational conflict is that the term has been defined in many different ways by academics and managers. A few definitions are reproduced below:

According to *Gray and Starke* – “Conflict is behaviour by a person or group that is purposely designed to inhibit the attainment of goals by another person or group. This ‘purposeful inhibition’ may be active or passive.”

R.W. Woodman defines conflict “As any situation in which incompatible goals, attitudes, emotions or behaviours lead to disagreement or opposition between two or more parties.”

K.W. Thomas defines conflict as “A process that begins when one party perceives that another party has negatively affected or is about to negatively affect, something the first party cares about.”

From the above definitions we can state that conflict most commonly arises from four circumstances:

1. Conflict can occur when individuals or groups perceive they have mutually exclusive goals or values.
2. Behaviour designed to defeat, reduce or suppress an opponent may cause conflict.
3. Groups that face each other with mutually opposing actions and counteractions cause conflict, and
4. If each group attempts to create a relatively favoured position vis-à-vis the other, conflict may ensue.

Today's organizations may face greater potential for conflict than ever before. The marketplace, with its increasing competition and globalization, magnifies difference among people in terms of personality, values, attitudes, perceptions, languages, cultures and national backgrounds. With the increasing diversity of the workforce, furthermore, comes potential incompatibility and conflict.

1.2 Outcomes of Conflicts

Not all conflicts are bad. In fact, some types of conflict encourage new solutions to problems and enhance the creativity in the organisations. In these cases, managers will want to encourage the conflicts. These are **Functional conflicts** that support the goals of the group and improve its performance.

There are also conflicts that hinder group performance. These are **Dysfunctional or destructive** forms of conflict. Therefore, managers should stimulate functional conflict and prevent or resolve non-dysfunctional conflict. This is the key to conflict management. The consequences of conflict can be positive or negative, as shown in the Table 1 below:

Table 1: Consequences of positive or negative conflict

Positive Consequences	Negative Consequences
1. Leads to new ideas.	7. Diverts energy from work.
2. Stimulates creativity.	8. Threatens psychological well-being.
3. Motivates Change.	9. Wastes resources.
4. Promotes organizational vitality.	10. Creates a negative climate.
5. Helps individuals and groups establish identities.	11. Breaks down group cohesion.
6. Serves as a safety valve to indicate problems.	12. Can increase hostility and aggressive behaviours.

Source: Debra L. Nelson, James Campbell Quick, "*Organisational Behavior – Foundations, Realities, and Challenges*". (Second Edition) (1997), West Publishing Company, Minneapolis, Page 378.

1.3 Sources of Organizational Conflict

1. ***Line and Staff Competition:***

The growth of highly specialized, creative, well-educated staff poses unique problems for line managers. Faced with a growing dependence on staff, line managers must adjust to a reduction in organizational power and prestige. Conflict in most organizations persists between line and staff because it is virtually impossible to define precisely the responsibility and authority relationships between the two.

2. ***Organization-Individual Disagreements:***

From one perspective, the conflict between the organization and the individual centers around the individual's failure to fulfil the organization's expectations regarding productivity or compliance with rules. From another, the conflict is often seen as resulting from excessive organizational demands. Such conflict may be overt or hidden from view, depending on the perception each side has of the power of the other.

3. ***Overlapping Responsibilities:***

Organizations constantly change in response to personnel turnover, expansion or contraction, the adoption of new policies, changes in external environment, and so forth. As a result, it is impossible to establish job responsibilities once and for all. When a change occurs, one person reaches out to assume more responsibility, another retrenches and still another tentatively assumes responsibility for certain functions without knowing definitely who should be performing them. Thus, the stage is set for conflict.

4. ***Functional Interdependence:***

Conflicts between an organization's functional units, such as sales, accounting and manufacturing are commonplace. The sales department is at odds with manufacturing because quality is too low or prices are too high to meet the competition. Although departments are separated on the basis of function, they can never function as completely autonomous units. They must somehow resist the constant urge to view the organization in terms of their narrow self-interests.

5. **Personality Clashes:**

Individual differences in such personal qualities as values, attitudes, abilities and personality traits are often the cause of conflict. Two managers may learn to despise each other thoroughly for reasons totally unrelated to their work, but their performance on the job may suffer because of it.

6. **Disagreement Over Goals:**

Conflict among managers is often caused by the fact that there is poor agreement over goals. Perhaps an even more common source of conflict is the clash of the personal goals of managers and employees with the goals of the organization.

7. **Bottlenecks in the Flow of Work:**

Line supervisors in manufacturing must meet production deadlines, but they are dependent upon production schedules, warehousing shipping, and others for effective performance. A bottleneck at any point can prevent the line supervisors from being effective and is quite naturally an occasion for interpersonal conflict.

1.4 Causes of Conflict

There are numerous sources of conflict within formal organisations. To manage it effectively, managers should understand these sources of conflict. Those discussed below have been analyzed extensively by researchers. They can be classified into two broad categories:

1. Structural factors
2. Personal factors.

Figure below illustrates the causes of conflict.

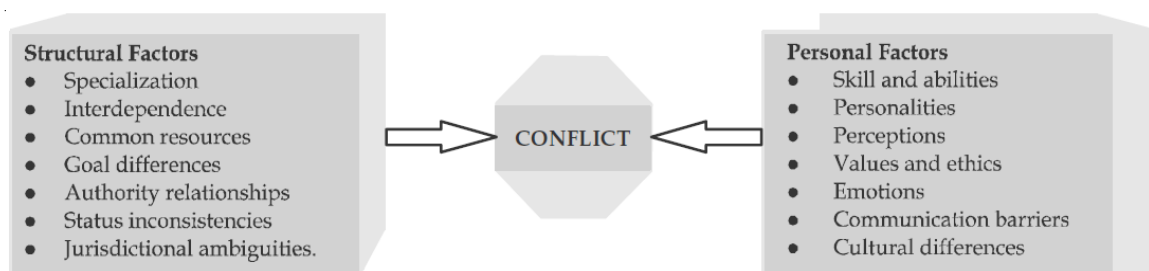


Figure 1: Force-field Analysis of Equilibrium

1. Structural Factors

Structural factors stem from the nature of an organisation and the way in which work is organised. The causes of conflict related to the organisation's structure include specialization, interdependence, common resources, goal differences, authority relationships, status inconsistencies and jurisdictional ambiguities.

1. *Common and Limited Resources:*

Perhaps the most fundamental fact of organizational life is that resources are finite. Any time multiple parties must share resources, there is potential conflict. Even the most successful companies have found that they are limited in what they can accomplish. With this realization, groups and individuals see that there will be times when they will have to fight for what they want. One resource often shared by managers is secretarial support. It is not uncommon for a secretary to support ten or more managers, each of whom believes his or her work is most important. This puts pressure on the secretaries and leads to potential conflicts in prioritizing and scheduling work. The most obvious manifestation of this problem comes when the annual budget is set. Each department typically submits a request for its needs during the next fiscal year and top management adjusts the request based on its knowledge of the total organization. Department heads often see their requests cut back because the resources for the total organization are limited. When cutbacks occur, however, the potential for conflict increases because the heads of various departments begin making value judgments about why management decided to cut back one department but not another. As a general rule, ***“the greater the scarcity of resources, the greater the potential for conflict”***.

2. ***Interdependent Work Activities:***

Added to the basic problem of finite resources is the problem of organizational units having to work together. Work that is interdependent requires groups or individuals to depend on one another to accomplish goals. Depending on other people to get work done is fine when the process works smoothly. However, when there is a problem, it becomes very easy to blame the other party and conflict escalates. It is important for managements to know the nature of work interdependence so systems of work can be implemented that will reduce the potential for dysfunctional conflict. As a general rule, “the more interdependent the work activities, the greater the potential for conflict”.

3. ***Specialization and Differentiation of Activities:***

We noted above that interdependence of work activities is an important source of conflict in organisations. Backing up one step further, we can see that the mere existence of groups doing different functions creates the potential for conflict. Especially when jobs are highly specialized, employees become experts at certain tasks. Highly specialized jobs can lead to conflict, because people have little awareness of the tasks that other perform. A classic conflict of specialization is one between salespeople and engineers. Engineers are technical specialists responsible for product design and quality. Salespeople are marketing experts and liaison with customers. Salespeople are often accused of making delivery promises to customers that engineers cannot keep because the sales force is felt to lack the technical knowledge necessary to develop realistic delivery deadlines.

4. ***Authority Relationship:***

The traditional boss-employee relationship makes employees feel uncomfortable. The boss is superior to the employees and can dictate terms to his subordinates. For many employees, this relationship is not a comfortable one because another person has the right to tell them what to do. In addition, some bosses are autocratic and manipulative and this increases the potential for conflict. To add to the problem, some employees resent authority more than others, and obviously this creates conflicts.

5. **Goal Differences:**

The differentiation in work activities leads to differentiation in goals. When work groups have different goals, these goals may be incompatible. For example, production's goals may be to have long production runs with few changes in product style, because this allows the production facilities to operate at peak efficiency. Marketing's goal, on the other hand, may be to give customers what they want when they want it. This means rush orders, special orders, and other demands that conflict directly with production's goals.

6. **Jurisdictions Ambiguities:**

Jurisdictional ambiguity is tantamount to unclear lines of responsibility within an organization. When a problem occurs for which there is no definite fixation of responsibility, workers tend to "pass the buck" or avoid dealing with the problem. Conflicts emerge over who has responsibility for the problem. For example, if you are a customer of a company and have a problem with the product you bought and you telephone the company to set it right, you would have had your call transferred through several different people and departments.

7. **Status Inconsistencies:**

Some organizations have a strong status difference between managers and workers. Managers enjoy many privileges like flexible schedules, personal telephone calls at work and longer lunch hours. These privileges are not available to other employees resulting in resentment and conflict.

2. **Personal Factors**

Personal factors arise from differences among individuals. These differences include skills and abilities, personalities, perceptions, emotions, values and ethics and communication barriers.

1. **Differences in Perceptions:**

We all "see" the world slightly differently because we have all had different experiences. Differences in perception can also lead to conflict. One area in which perceptions can differ is the perception of what motivates employees. If managers and workers do not have a shared perception of

what motivates people, the reward system can create conflicts. It is hard to make unequivocal statements about how differences in perception will influence conflict. It is also difficult to deduce exactly how a person views the world unless the person is well-known to the manager. Nevertheless, a realization that differences in perception (by groups or individuals) is crucial to conflict means that it must be included in any discussion of conflict.

2. **Communication Problems:**

Communication problems develop because not all groups have the same information. Each group therefore takes a position based on its view of the world and the information it has. The obvious solution to this problem is to give all groups equal information. However, this is generally not feasible because individuals with important information may want to use it for their own advantage and not share it.

The various communication barriers that lead to conflict include:

- (i) Communication barriers such as physical separation and language can create distortions in messages and these can lead to conflict.
- (ii) Another communication barrier is value judgement, in which a listener assigns a worth to a message before it is received. For example, suppose X is a chronic complainer. When X enters the manager's office, the manager is likely to devalue the message before it is even delivered. Conflict can then emerge.
- (iii) Communication barriers are also caused by technical jargon that is so frequently used in organizations.

3. **Value and Ethics:**

Differences in values and ethics can be sources of disagreement. When conflicts over values or ethics do arise, heated disagreement is common because of the personal value systems giving rise to such differences.

4. **Skills and Abilities:**

Diversity in skills and abilities hold potential for conflict, especially when jobs are interdependent. Experienced workers may find it difficult to work alongside new and unskilled recruits. Employees can become resentful when their new boss, fresh from business school, knows a lot about

managing people but is unfamiliar with the technology with which they (employees) are working.

5. **Emotions:**

Moods and emotions can be a source of conflict in the workplace. Personal problems at home often take their toll at the work place and the resultant mood-swings can be hard for others to deal with.

6. **Personalities:**

Personality conflicts are realities in organisations. To expect that you will like all of your co-workers may be a naïve expectation. One personality trait that many people find difficult to deal with is abrasiveness. Abrasive individuals create stress and strain for those around them.

1.5 Types of Conflict

We can analyze the effects of conflicts from many different perspectives. They are:

- a) Intra-individual or Intrapersonal Conflict
- b) Inter-individual Conflict
- c) Individual-Group Conflict
- d) Intergroup Conflict
- e) Organizational Level Conflict
- f) Functional Conflict
- g) Dysfunctional Conflict

a) Intra-individual or Intrapersonal Conflict

This refers to conflict within an individual about which work activities to perform. An individual may experience There are several types of intrapersonal conflict, including inter-role, intra-role and person-role conflicts.

1. **Inter-role Conflict:** Occurs when a person experiences conflict among the multiple roles in his or her life. One inter-role conflict that many employees experience is work/home conflict, in which their role as worker clashes with their role as spouse or parent.

2. ***Intra-role Conflict:*** Is conflict within a single role. It often arises when a person receives conflicting message from role senders (the individuals who place expectations on the person) about how to perform a certain role.
3. ***Person-role Conflict:*** Occurs when an individual in a particular role is expected to perform behaviours that clash with his or her values. For example, salespeople may be officially required to offer the most expensive item in the sales line first to the customer, even when it is apparent the customer does not want or cannot afford the item. This may conflict with the salesman's values or past experience, and he may experience person-role conflict.

Analyzing this type of conflict is difficult because "inner states" of the individual must be assessed.

b) Inter-individual Conflict

When two individuals disagree about issues, actions, or goals and where joint outcomes become important, there is inter-individual conflict. Research on this type of conflict (e.g., marriage counselling) often focuses on personality differences and why individuals feel obliged to block the goal attainment of the other person. Inter-individual or interpersonal conflict often arises from differences in individuals' status, perceptions and orientations. Such conflict may motivate individuals to reveal additional relevant issues or it may prevent any further communication. To further complicate matters, some individuals are more likely to engage in conflict than others.

To manage interpersonal conflict, it is helpful to understand power networks in organizations, defence mechanisms exhibited by individuals and ways of coping with difficult people.

c) Individual-Group Conflict

In organizations, there are two important situations where individuals find themselves in conflict with groups. The first situation is one in which an individual is violating group norms. The reason for this conflict is that groups have a greater ability to block an individual's goal achievement than the other way around. Only in unusual cases will an individual be able to mobilize the resources to block the group's movement toward its goals.

The second case of individual-group conflict is one in which subordinates of one boss collectively disagree with a course of action the boss wants to take. A conflict exists here because the subordinates are blocking the goal achievement plans of the boss. Although the boss can exercise formal authority to suppress this type of conflict, this is generally an unwise course, since subordinates often find a way to retaliate.

d) Intergroup Conflict

This involves conflict between groups of people, irrespective of the size of the group. Included in this category, therefore, is interdepartmental conflict within organizations. Intergroup conflict exists between or among groups. Such conflicts can be traced to competing goals, competition for limited resources, cultural differences, power discrepancies and attempts to preserve the groups' separate identities.

e) Organizational Level Conflict

Conflict can also exist between organisations. The amount of conflict may depend on the extent the organisations create uncertain conditions for competitors, suppliers, or customers; attempt to access or control the same resources; encourage communication; attempt to balance power in the marketplace; and develop procedures for resolving existing conflict. Recent attempts to manage such conflict and ensure that it has a positive impact on organisational performance have emphasized the formation of strategic alliances and partnerships.

f) Functional Conflict

Some conflicts support the goals of the group and improve its performance; these are functional, constructive disagreements between two or more people. Functional conflict can produce new ideas, learning and growth among individuals; when they engage in constructive conflict, they develop a better awareness of themselves and others.

g) Dysfunctional Conflict

There are conflicts that hinder group performance, and are therefore known as dysfunctional or destructive forms of conflict. Dysfunctional conflict is an unhealthy, destructive disagreement between two or more people. A key for recognizing a dysfunctional conflict is that its origin is often emotional or behavioural. Disagreements that involve personalized anger and resentment directed at specific individuals rather than specific ideas are dysfunctional. In dysfunctional conflict, the losses to both parties may exceed any potential gain from the conflict.

The demarcation between functional and dysfunctional conflict is neither clear nor precise. The criterion that differentiates functional and dysfunctional conflict is group performance. Since groups exist to attain a goal or goals, it is the impact the conflict has on the group, rather than on any individual member, that determines functionality.

1.6 Conflict Process

Diagnosing the nature of conflict is aided by considering it as a sequence of conflict episodes. Regardless of the level of conflict, each conflict episode proceeds through one or more of five possible stages. They are shown in the Figure 2 below.

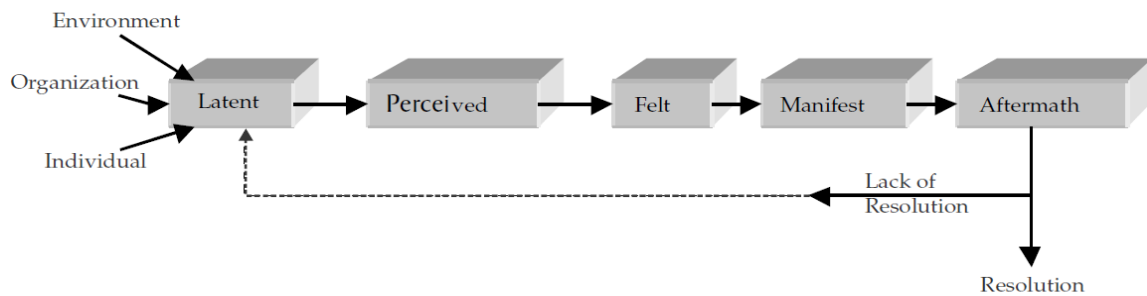


Figure 2: Stages of Conflict

1. ***Latent Conflict:***

The first step in the conflict process is the presence of conditions that create opportunities for conflict to arise. Individuals or groups may have power differences, compete for scarce resources, strive for autonomy, have different goals, or experience diverse role pressures. These differences are the genesis of disagreement and ultimately conflict.

2. ***Perceived Conflict:***

If the conditions cited in stage I negatively affect something that one party cares about, then the potential for opposition or incompatibility becomes actualized in the second stage. This stage is important because:

- i. It is where conflict issues tend to be defined.
- ii. Emotions play a major role in shaping perceptions.

In this stage,

- i. Differences of opinion are voiced.
- ii. Incompatible goals or values become apparent.
- iii. Individuals demean others or try to enact opposing actions.

3. ***Felt Conflict:***

When one or more parties feel tense or anxious as a result of such disagreements or misunderstandings, conflict has moved beyond 'perceived' to 'felt' conflict. Here, the conflict becomes personalized to the individuals or groups involved: intentions intervene between people's perceptions and emotions and their overt behaviour. These intentions are decisions to act in a given way.

K. Thomas has identified the primary conflict-handling intentions using two dimensions:

- a) **Co-operativeness**: The degree to which one party attempts to satisfy the other party's concerns; and
- b) **Assertiveness**: The degree to which one party attempts to satisfy his or her own concerns.

4. **Manifest Conflict:**

Observable behaviour designed to frustrate another's attempts to pursue his or her goals is manifest conflict, the most overt form of conflict. Both open aggression and withdrawal of support illustrate manifest conflict. At this stage, conflict must be used constructively resolved if effective organisational performance is to occur.

When most people think of conflict situations, they tend to focus on "manifest conflict" because this is where conflicts become visible. These conflict behaviours are usually overt attempts to implement each party's personal agenda.

5. **Conflict Aftermath:**

The conflict episode ends with its aftermath, after the conflict has been managed and the resulting energy heightened, resolved or suppressed. If the conflict is resolved, the parties may experience a new reality as they adjust their perceptions. Unresolved conflict, which exists everywhere, simply sows the seeds for manifest conflict later. The process continues and is a normal part of organizational life.

2. CONFLICT MANAGEMENT STRATEGIES

Managers have at their disposal a variety of conflict management styles: avoiding, accommodating, competing, compromising and collaborating. The way they handle conflict depends on the degree to which they seek to satisfy their own concerns (assertiveness) and the degree to which they try to satisfy the other person's concerns (co-operativeness). The Figure 5 shows the five conflict management styles using these two dimensions:

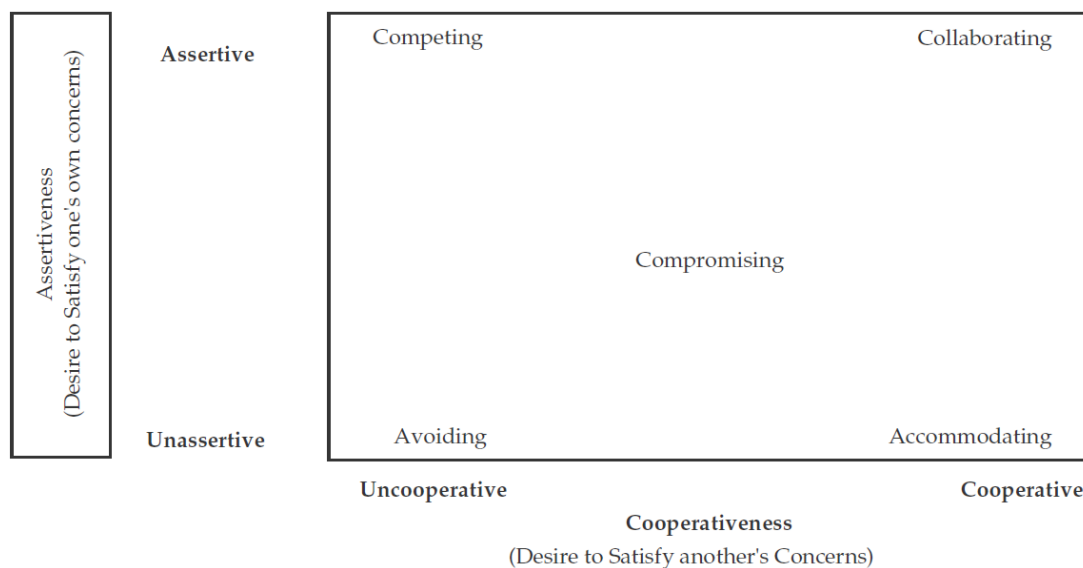


Figure 5: Conflict Management Styles

Source: K.W Thomas, "Conflict and Conflict Management," in M. D Dunnette, "Handbook of Industrial and Organisational Psychology" Chicago, IL: Rand McNally. (1976).

1. **Avoiding:**

Managing a conflict with an avoiding strategy involves just what the term sounds like: not seeking to meet your own objectives or the objectives of the other person. Avoiding is a style low on both assertiveness and co-operativeness. Avoiding is a deliberate decision to take no action on a conflict or to stay out of a conflict situation.

2. **Accommodating:**

In an accommodating strategy, one person attempts to satisfy another person's objectives. Appropriate situations for accommodating include those when you find you are wrong, when you want to let the other party have his or her way. Accommodating is cooperative but unassertive.

3. ***Competing:***

A competing strategy involves attempting to win, with the presumption that others will lose. Under this strategy, you want to satisfy your own interests and are willing to do so at the other party's expense. Competing is a style that is very assertive and uncooperative.

4. ***Compromising:***

In a compromising strategy, the parties reach a mutually acceptable solution in which each person gets only part of what he or she wanted. Often, this means the parties decide to "split the difference". The compromising style is intermediate in both assertiveness and co-operativeness, because each party must give up something to reach a solution to the conflict.

5. ***Collaborating:***

This strategy seeks to make everyone a winner. Working towards collaborating involves an open and thorough discussion of the conflict and arriving at a solution that is satisfactory to both parties. Collaborating is a win-win style that is high on both assertiveness and co-operativeness. The Table 3 shows the appropriate conflict handling situation.

*****GOOD-LUCK*****