CHAPTER-3

MANAGEMENT OF ORGANISATIONAL CONFLICT

(Organisational conflict - spur to industrial harmony)
(A) Introduction:

Management today is faced with the awesome responsibility of ensuring optimum levels of growth and productivity in an environment that is full of conflicting situations. Conflict is a theme that has occupied the thinking of man more than any other with the exception of God and love. Conflict has always been wide spread in society but it is only recently it has generated a lot of interest and has been the focus of research and study to maintain industrial harmony.

We are living in the age of conflict emerges at Interpersonal level, in terms of various choice, and interpersonal level confronting decisions. Conflict is not confined at the individual level alone but it is manifesting itself more and more in organisations disturbing the equilibrium of industrial harmony. Employees have become more vociferous in their demands for better deal. Various departments in an organisation face situation of full conflicts due to a number of reasons like goal diversity, scarcity of various tasks, interdependence, etc.

(B) Sources of Conflict:

A large number of potential sources of conflicts exist in
organisational life as antecedent conditions and realistic basis for some conflict. Such sources are:

1. **Diversity of Goals:**

   Groups in organisation have different functions to perform and as such they develop their own norms and goals. These goals should commensurate with organisational goals. But often in real life the reverse is true. Goals of one group are incompatible to the goals of another group.

2. **Task Interdependence:**

   Groups in an organisation have to interact with one another in order to accomplish their task. For example sales department can not sell unless the production people produce goods and goods can not be produced unless finance department provides the money for the purchase of raw materials. Three types of independence can cause inter group conflict- pooled, sequential and reciprocal.

   a. **Pooled Interdependence:**

      It exists when two work group's may not directly interact with each other but they are affected by each other's actions.

   b. **Sequential Interdependence:**

      It occurs when one groups performance depends on another groups prior performance.
c. **Reciprocal Interdependence:**

   It occurs when two or more groups are mutually interdependent in accomplishing their tasks.

3. **Competition for Limited Resources:**

   No organisation is capable of providing all the resources depended by various units. Resources are limited and different groups have to compete for these resources and many conflicts arise from this source.

4. **Organisational Ambiguities:**

   Conflict may emerge when two organisational units compete over new responsibility. Inter group conflict stemming from disagreement about who has responsibility for on going task in an even more frequent problem. New comers to organisations are often struck by the ambiguity that exist about job responsibility.

5. **Organisational change:**

   Change is law of nature, change can breed inter group conflict. Acquisition and mergers, for example, encourage inter group conflict, competition and stress when one organisation is merged into another; a power struggle often exists between the acquiring and acquired company. An attempt is usually made to minimize conflict by laying out plans for power sharing before the acquisition or merger is consummated.
6. **Difference in values and Perception:**

Sometimes Organisation holds ‘conflicting’ values and perceptions. For e.g. Management- Labour conflict. Labour feels that management is exploiting it because inspite of making a profit, management does nothing for the economic welfare of labour. On the other hand management feels that the profit should go to cash reserves so as to make the company an attractive proposition for investors.

7. **Egoistic Nature of People:**

Personality characteristic that account for individual idiosyncrasies and differences create conflict.

8. **Others:**

- Communication barrier
- Autocratic style of leadership
- Over control

C. **Types of Conflicts:**

(Conflict within an individual level) - Basically there are three types of conflicts.

1. **An approach avoidance conflict:**

One may have better job opportunity in other state but not willing to go to. In such case, one is attracted to and repelled by the
same object an approach avoidance conflict.

2. **Conflict between Individuals:**

Conflict between individuals takes place owing to several factors, but most common are personal dislikes or personality differences. A marketing manager may put the blame for low sales volume on particular dealer not taking initiative to achieve allotted sales quota and may start disliking the particular dealer as an incompetent dealer.

3. **Conflict between an Individual and a Group:**

An individual's inability to conform to the group norms results in inter group conflicts frequently. For example, most groups have an idea of a "Fair day's work" and may pressurise an individual if he exceeds or falls short of the groups productivity norms. If the individual represents any such pressure or punishment he could not come into conflict with other group members.

4. **Conflicts between groups within an organization:**

As an organisation is structured in the form of several interdependent task groups, inter group conflicts are one of the most important types of conflict. Some of the usually chrome conflicts in most of the organisations are found at this level, e.g. Union Vs. Management, one Union Vs another Union, One functional area like production Vs another functional area like maintenance, direct recruit Vs promotees, etc.
The newly emerging field of organisation politics has started systematically investigating such types of conflict.

5. **Conflict between Organisations:**

Main source of conflict between organisations is the competition. It is limited to economic context only. The Laissez Faire economy is based on this concept. It is assumed that conflict between organisations leads to innovative and new products, technological advancement and better services at lower prices.

**(D) The Process of Conflict:**

Conflict can be found on several levels. Interpersonal, conflicts directly influence effectiveness of an organisation.

For a conflict to exist it must be perceived by the parties to it. If no one is aware of a conflict then it is generally agreed that no conflict exist.

Still, does a more awareness of opposing goals, or differences of opinion or antagonistic feelings that there is a conflict? Dynamic process to understand conflict includes antecedent conditions, cognitive states, affective states, and conflicting behaviour conflict between two parties, individuals, groups or organisations can be described and analysed in a chain a episodes which tend to unfold conflict in a particular sequence.
A. Potential Antagonism:

The first stage is the presence of antecedent conditions that create opportunities for conflict emergence. They need not necessarily lead to conflict and may be present in the absence of conflict as well. Some of the antecedent conditions may refer to scarcity of resources, heterogeneity of members and diversity of goals, values, perception, degree of dependences between groups, insufficient exchange of information, etc.

B. Cognition and Personalisation:

The antecedent conditions may or may not lead to conflict. That may be perceived as threatening if conflict is to develop. The situation may be ignored if it is seen as minimally threatening. Moreover if a conflict is perceived, it does not mean that it is personalised ("felt conflict"). However, if feelings are generated, they tend to influence perception of the conflicts. It is at the felt level, when individuals become emotionally involved and involved and parties experience feelings of threat, hostility, fear or mistrust.

C. Confictive and conflict management behaviour:

Manifest behaviour is the action resulting from perceived and/or felt behaviour. At this stage a conscious attempt is made by one party to block the goal achievement of the other party. Such behaviour may range from subtle, indirect and highly controlled
forms of interference to more forms of aggressive behaviour like strikes, riots, war etc.

D. After math:

The interplay between different forms of overt conflict behaviour and conflict influence the consequences. These consequences (in terms of performance of the group, the level of satisfaction and quality of relationship in the involved parties, change of structure and policies etc.) in turn influence the antecedent conditions and probability of future conflict. Sometimes, the after math sows the seed of yet another conflict episode in which case the entire process is repeated.

The four stage conflict process model is very useful framework to understand the episode of any conflict.

E. The Impact of Conflict:

Conflict can have both positive and negative impact on individuals, groups and organisations eg. as a result of inter group conflict certain changes occur within groups and between groups some changes have positive effects, others have negative effects. Edger Schein (1980) has compiled a list of changes on the basis of research findings that may occur within the groups involved are;

A. Increase in group cohesiveness.

B. The group becomes task-oriented.
C. Leadership becomes more directive.
D. Organisational structure becomes more rigid.
E. Group unity stressed.

Prolonged group conflicts cause the following changes in relationship between groups.
A. Perceptions are distorted.
B. Groups become antagonistic towards each other.
C. Communication ceases to exist.
D. Group apply a double standard.
E. Conflict resolution solidifies inter group relationship.

Thus, conflict in certain forms can be functional or dysfunctional depending upon its nature, intensity, duration and the manner in which it is handled. The balanced view to conclude that conflict is inherently neither good nor bad but simply has the potential to improve or impair an organisation performance through its consequences. Conflict that result in increased organisation performance and help an organisation to attain its goals may be termed as functional. On the other hand conflict that hinders an organisation's growth and prevents it from achieving its goals can be termed as dysfunctional.
The Conflict Process

Potential cognition and Conflictive Antagonism Personalisation Conflict Handling Aftermath Behaviour

Stage I --------► Stage II --------► Stage III --------► Stage IV

The unit’s performance is at the maximum. This can happen because at that level of conflict the group or the unit’s internal environment is characterised by self-criticism and innovativeness. When the conflict level is too low, it is dysfunctional as the unit’s performance is low due to apathy, stagnation; lack of new ideas and non-responsiveness of the unit-members to the demands of change. In such a situation a manager may have to resort to stimulating conflict to make the unit more viable. On the other hand, when the conflict level is too high, it is again an dysfunctional as the survival of
the group or the unit is threatened owing to diversion of energies away from performance and goal attainment activities of the members. Chaos and disruption prevails. Naturally, the most important managerial task become show to resolve the conflict.

(F) Strategies, stimulation and Resolution:

(A) Stimulating Productive Conflict:

The tendency to avoid conflict, even disagreement, statement like "Don't Aruge" "stop fighting" etc. is not always productive and there are times when there is a need to stimulate conflict.

Robbins (1978) suggested the following as sign where conflict stimulation is needed:

1. The organisation is filled with "yes men".
2. Employees are afraid to admit ignorance.
3. Compromise is stressed in decision-making
4. Managers put too much emphasis on harmony and peace.
5. People are afraid of hurting the feelings of others.
6. Popularity is given more importance than technical competence.
7. People show great resistance to change.
8. New ideas are not forthcoming.

9. There is usually low rate of employee turnover.

The presence of one or more of these signs is usually an indication of the need for conflict stimulation. Once the need has been identified, one can adopt one or more of the following techniques.

1. **Manipulate communication channels:**
   
   A. Deviate Message from traditional channels.
   
   B. Repress information.
   
   C. Transmit too much information.
   
   D. Transmit ambiguous or threatening information.

2. Alter organisation’s structure (redefine jobs, alter tasks, reform units)
   
   A. Increase specialization or standardisation.
   
   B. Increase a unit’s size
   
   C. Recruit, delete or transfer organisational members.
   
   D. Increase interdependence between units.

3. **Change or Modify Personal Behaviour Factors:**
   
   A. Change personality characteristics of leader.
B. Create role conflict.

C. Develop role incongruence.

Some suggestions may even be unethical depending upon the values and organisations value-system (as one may feel that a desirable end-state does not always justify the questionable means like transmitting threatening information).

B. Resolving Interparty Conflict:

There is no dearth of literature in this area and different authors have given different taxonomies in reviewing possible conflict resolution strategies.

The primary dimension along which intergroup conflict-resolution strategies vary is how openly once as a manager should address the conflict. The chief characteristics of conflict-avoidance strategy is that they attempt to keep the conflict from coming into the open. The goal of conflict-defusion strategy is to keep the conflict in abeyance and to "cool" the emotions of the parties involved. Conflict containment strategy allows some conflict to surface, but tightly control which issues are discussed and the manner in which they are discussed.

Conflict-confrontation strategies are designed to uncover all the issues of the conflict and try to find a mutually satisfying resolution.

C. Conflict-avoidance strategies:
a. **Ignoring the conflict:**

This strategy is represented by the absence of action. One as a manager often avoided dealing with dysfunctional aspects of conflict. Although ignoring the conflict generally is ineffective for resolving important policy issues, there are some circumstances in which it is at least reasonable way of dealing with problems.

b. **Imposing a solution:**

This strategy consists of forcing the conflicting parties to accept a solution devised by higher-level manager. Imposing a solution does not allow much conflict to surface, nor does it leave room for the participants to air their grievance, so it also generally is an ineffective conflict-resolution strategy. Any peace that it does achieve is likely to be short-lived.

Forcing a solution can however be appropriate when quick, decisive action is needed. An example of this is when an organisation must cut back on the funding of programmes. It is unreasonable to expect that any department would agree to cut its staff and expenses for the greater good, yet some hard unpleasant decisions ultimately must be made.

C. **Conflict Diffusion Strategies:**

C. 1. **Smoothing**

It is way of dealing with conflict to try to "smooth it cover" by playing down its extent or importance. One can try to persuade the
groups that they are not so far apart in their view points as they think they are, point out the similarities in their positions, try to "pat" group members whose feelings have been hurt, or play down the importance of the issues. By smoothing the conflict one can hope to decrease its intensity and avoid escalation or open hostility. For instance inter group conflict frequently occurs between older and younger employees because of their different political beliefs and moral values. Smoothing can help to defuse the tension so that the conflict does not spill over into central work issue.

However, smoothing sometimes can serve a stop-gap measure to let people cool down and regain perspective.

C. 2. **Appealing to Super ordinate goals:**

One can defuse conflicts by forcing attention on the higher goals that the groups share or the long-range aims that they have in common. This tends to make the current problem. Seen insignificant beside the more important mutual goals.

Finding super ordinate goals that are important to both groups is not easy. Achieving these goals requires co-operations between the groups, so the rewards for achieving the goals must be significant.

D. **Conflict - Containment Strategies:**

D.1. **Representations Help:**

One of the strategies one can use to contain conflict is the use
of representatives. In order to decide an issue, one can meet with representatives of the opposing groups rather than deal with the groups in their entirety. The rationale is that the representatives know the problems and can argue the group’s points of view accurately and forcefully.

The research on the use of representatives as means of solving inter group conflict is fairly negative. Representatives are not entirely free to engage in compromise, rather, they must act out of a loyalty and are motivated to win (or atleast avoid defeat) even though a solution to the inter group problem may be sacrificed in the process.

D. 2 Structuring the interaction:

There are many ways to structure the interaction between group to deal with conflict. Some of the most effective strategies include.

(a) Decreasing the amount of direct interaction between the groups in the early stage for conflict resolution, (It helps to prevent back - sliding from tentative agreements).

(b) Decreasing the amount of time between problem-solving meetings.

(c) Decreasing the formality of presentation of issues (Helps to induce a problem- solving, rather than win-lose orientation to the conflict.
(d) Limiting the recitation of historic events and precedents and focusing instead on current issues and goals (Helps to keep the focus on finding a solution to the current conflict).

(e) Using third party mediators (can act as a go between; transmits offers and message, clarify the group positions, suggests possible solutions).

The above strategies reveal some conflict to surface but prevent it from getting out of hand and reduce hardening of the groups positions.

D. 3. Bargaining:

Bargaining is the process of exchanging concessions until a compromise solution is reached. For bargaining to be feasible at all as conflict resolution strategy, both parties must be of relatively equal power. Bargaining also is more likely work if there are several acceptable alternatives that both groups are willing to consider.

E. Conflict - Confrontation strategies:

E. 1. Problem Solving-

Problem solving is an attempt to find a solution that reconciles or integrates the needs both parties who work together to define the problem and to identify mutually satisfactory solutions. There are two preconditions for successful, integrative problem solving. The first is a minimal level of trust between the groups. Secondly,
integrative problem solving takes a lot of time and can succeed only in the absence of pressure for a quick settlement.

Alderfer (1977) summarises the most critical ingredients in successful problem solving.

1. Problem should be defined with joint efforts and shared fact findings.

2. Problem should be started in terms of specifies.

3. Points of initial agreement in the goals and beliefs of both groups should be identified along with the differences.

4. Discussion should consists of specific, non-evaluative comments.

5. The groups should work together in developing alternative solutions or at least present a range of acceptable solutions.

6. Solutions should be evaluated objectively in terms of quality and acceptability to the two groups.

7. All agreements about separate issues should be considered tentative until every issue is dealt with.

E. 2. Organisational Redesign:

Redesigning or restructuring the organisation is especially true
when the sources of conflict result from the coordination of work among different departments or division. One way of redesigning organisations is to reduce task inter dependence between groups and to assign each group clear work responsibilities. (This is most appropriate when the work can be divided easily into distinct projects). The other way to deal with conflict through organisation redesign is to develop overlapping or joint work responsibilities.