Unit- 5

Organizational Conflict

Conflict

- Conflict is any situation in which two or more parties feel themselves in <u>opposition</u>.

- Organizational conflict refers to the condition of misunderstanding or disagreement that is caused by the perceived or actual opposition in the needs, interests, and values among people who work together. Organizational conflict may also be termed as workplace conflict. Example: disagreement between employee and management related to incentives or facilities etc.

- According to S. P. Robbins, "Conflict is a process that begins when one party perceives that another party has negatively affected or is about to negatively affects, something that the first party cares about."

- Thus, organizational conflict refers to disagreements or disputes that arise within an organization between individuals or groups. It disturbs the routine work of the organization.

Nature/feature of Conflict

a. There remain mutually exclusive goals: It occurs when two or more parties follow mutually exclusive goals, values, or events which cannot be reached simultaneous. (if lack of resources)

b. Two types of perceptions: conflict arises out of two perceptions. 6 and 9

c. There must be intentional effort: conflict refers to deliberate behavior.

d. It has two varieties: hidden or exposed (overt or covert)

e. Conflicts is a process: conflict is also a process because it begins with one party, perceiving the other to oppose other to negatively affect its interest and ends with settlement.

f. Conflict is inevitable (unavoidable): conflicts are everywhere. Conflict free organization and human life is impossible to get in this world, it is unavoidable in reality.

g. Conflict occurs at three levels: conflicts may occur within a individual, group or between organizations.

h. Conflict is like fire: if fire is managed, it helps us to cook, but not managed then it burns us and our home. Same like if conflicts are managed properly it brings positive consequences and vice versa.

Types of Conflict (level of conflict)

- Three types: individual, group and organizational conflict.

1.   Individual level conflict

it is also called micro level conflict. All individuals have conflict within themselves.

a.   Intra-Personal Conflict/intra individual conflict: (Within an Individual)

Intra-personal conflict arises inside an individual. You fight with yourself. It arises due to divergent goals and multiple roles, which the individual is expected to play.

i.   **Goal conflict**: it occurs when a goal that an individual is attempting to achieve has both positive and negative features. It also occurs when two or more competing goals exist. (job in different cities)

ii.   **Role conflict**: it arises when roles are conflicting in nature. (middle level manager)

b.   Interpersonal Conflict (Between Individuals)

It occurs in a condition when two or more persons interact with one another. Such interaction may take place between peers or seniors and subordinates. Some sources of interpersonal conflicts are:

i.   Personality differences

ii.   Perception

iii.   Clashes of values and interest

iv.   Power and status differences

v.   Scarcity of resources

2. Group level conflict:

a. <u>Intra Group conflict</u>: it arises when differences over an issue appear between the members of the same group. Not two groups or members of the group are involved. Major reasons for intra group conflicts are new problem, new value system and role differences.

b. <u>Inter-Group Conflict:</u>

- It occurs between two or more groups in the organization. Many intergroup conflicts arise for organizational causes rather than interpersonal causes.

- The conflict between line and staff, between production and sales department, and between management and unions, are examples of group conflicts.

- The major reasons for intergroup conflicts are competition for scarce resources, joint decision making, task interdependence, introduction to change, and incompatible (mismatched) goals.

Types of inter-group conflict:

I. Vertical conflicts: it occurs between an organization's hierarchies of authority. It refers to any conflict between levels in an organization i.e. superior-subordinate relations.

II. Horizontal conflict: it occurs between groups operating at the same level in the hierarchy. Like production dept. and marketing dept.

III. Line and staff conflict: it occurs when line and staff representatives disagree over issues of substance in their working relationships.

IV. Diversity based conflict: conflicts are higher in heterogeneous group as compared to homogeneous groups. Like difference in ethnicity, religion, gender, age etc.

3.   Organizational level conflict

a. <u>Intra-Organizational Conflict</u>

- Occurs among or between the groups within the same organization.

- Similar to the inter-group conflict.

b. <u>Inter-Organizational Conflict</u>

- Inter-organizational conflict is called when it arises between two organizations. It is a result of business competition.

- Both the conflicting parties generally engage in providing similar types of services or products. Both parties become barriers to each other's success. Example – Coke & Pepsi

Types of inter-organizational conflict:

a.   Management-government conflict: management expects more freedom but government applies tight supervision. Like fair trade, consumer protection, bribery etc.

b.   Inter-management conflict: it occurs in some issues like patent, fulfilment of contract, price war etc.

c.   Inter-union conflict: unions may compete for membership in a particular industry or sector.

d.   Union-government conflict: the unions will be scrutinized by agents of government for illegal activities like discrimination, illegal strikes.

e.   Union-management conflict: conflict between labor and management is expressed in many forms like strikes, peaceful bargains, grievances, loyalties etc.

Sources of conflict

I. Incompatible goals: goals of different groups are naturally different. The achievement of one goal often interferes another group's goal. If goal of different groups are mismatch it affect the achievement of strategic goal.

II. Scarcity of Resources: resources are limited and wants and needs of groups are unlimited. Limited and scarce resources generate conflict because scarcity motivates people to compete with others. The result is that one party wins and another party fails to win.

III. Task interdependence: it arises when two or more groups depend on each other to accomplish their tasks. Types of task interdependence among group are Sequential, pooled etc. when problem arises, it becomes easy to blame other party and conflict starts.

IV. Ambiguous rules: it create conflict in an organization. Examples are lack of complete set of rules, too much complex rules and lack of proper communication of rules etc.

V. Communication problems: various communication barriers that distort message and promote conflicts. Like, too much or too less communication between parties, complex language or use of jargons (technical language), etc.

Approaches to conflict management (managing conflicts in org)

Conflict management includes skilful encouragement and handling of constructive conflict on one hand and resolving or limiting dysfunctional conflict on the other hand.

Broadly there are three types conflict management approach:

1. **Conflict <u>stimulation</u> techniques/strategies**: conflict is not always negative. But sometime conflict need to stimulate, which sometimes have a positive effect on the progress of an organization. some guidelines to stimulate conflicts are as follows:

a) Communication manipulation: ambiguous and threating message encourage conflict. Like department is to be eliminated, can reduce apathy, stimulate new ideas and force revaluation of existing practice. (rumor)

b) Bringing in outsiders: management may shake up a stagnant organization by bringing in people whose attitudes, values and styles differ significantly from the prevailing norms.

c) Restructuring the organization: breaking up old work groups and departments and reorganizing them so that they have new entrants or responsibilities.

d) Encouraging competition: the use of bonus, incentive pay and awards for excellent performance will stimulate competition. <u>As one group is hard to overtake the other constructive conflict will occur.</u>

2. **Preventing conflict**: sometime conflict rises to alarming levels and adversely affects the work performance in an organization. In such case, manager needs to prevent them and tone them down a bit. Some methods are as follows:

a. Super ordinate goals (superior): a super ordinate goal is a common goal that appeals to all the parties involved in the conflict and cannot be accomplished by the resource of any single party separately. It demand interdependence and cooperation between departments. (teamwork)

b. Exchange of personnel: rotation of employees between inter-dependent departments improves perception and understanding. Narrow perspectives, department loyalties misunderstandings created by the organizational boundaries are reduced.

c. Liaison group or integrator: intermediaries acceptable to interdependent units may be appointed to mediate between the conflicting groups. He must understand each other's problems and must be able to meeting both groups towards a mutually agreeable solution.

d. Appeal to higher authority: when conflict cannot be solved at the level of the parties involved, it may be referred to a superior position. Since the superior has the authority to dictate to both the parties, he can succeed in bringing the conflicting parties together.

3. **Conflict <u>resolution</u> structural techniques (resolving conflict)**: it means a situation in which the underlined reasons for a given conflicts are eliminated. Managers can use following techniques to resolve conflict.

a. Problem solving: this method is suitable for resolving conflicts arising out of misunderstanding. It involves bringing together the conflicting parties to share their problems. The focus is on sharing information to avoid misunderstanding and to find out areas of common interest.

b. Accommodating/smoothing: this method is suitable when the conflict is associated with aggressive feeling among the parties. it involve playing down difference among conflicting parties and highlighting similarities and area of agreement and peaceful co-existence through a recognition of common interest in the goal.

c. Compromising: this method is useful for dealing with labor-management conflict. It is a process of bargaining where the parties negotiate on the basis of <u>give and take</u> principle to arrive at a mutually acceptable agreement.

d. Avoidance: this method is useful when issues involved in conflict are very minor nature. Avoiding is a deliberate decision to sidestep a conflict but issue, postpone addressing it till later or withdraw from a conflicting situation.

Resolving conflict through negotiation

Concept of Negotiation (give and take)

- Negotiation is a discussion in which two or more parties attempt to reach an agreement through bargaining. (dialogue)

- Negotiations involve two or more parties who come together to reach some <u>end goal</u> through compromise or resolution that is agreeable to all those involved.

- So, Negotiation is a method by which people settle differences. It is a process by which compromise or agreement is reached while avoiding argument and dispute.

- One party will put its position forward, while the other will either accept the conditions presented or counter with its own position.

- Conflict and negotiation are two sides of the same coin.

Elements and factors affecting negotiation

1. Parties: at least two parties

2. Problem/issue: issues can be resources to be distributed, authorities should be shared, terms to be agreed upon, consideration to be resolved through negotiation.

3. Alternatives: try to develop alternatives for specific problem

4. Interests: they are the primary needs that every negotiator has. Based on those needs parties express their wants and create a position for which to negotiate with each other.

5. Negotiation process: a negotiation process is all of the events and interactions that occurs between the negotiating parties. It does not end until a mutually agreeable solution is arrived.

6. Outcomes: they are the end points of negotiation. It may be win-lose, lose-win and win-win outcomes.

Approaches to negotiation:
How negotiation is done?

1. Individual differences approach: no two people are same in this world. The assumption of this approach was the key to successful negotiation i.e. selecting the right person to do the negotiation.

2. Situational characteristics approach: they are the environmental characteristics with which negotiation takes place. like:

   - Types of communication

   - The potential outcomes of the negotiation

   - The relative power of the parties

   - The schedule available for negotiation

   - Number of people to be present in negotiation table.

3. Game theory approach: it is developed by economists. Mathematical models is used for predict the outcomes of negotiation. It is rational in nature. But in practice, most of negotiators often do no act rationally.

4. Cognitive approach: this approach is mostly used in negotiation. This approach does not agree with all the logics given in above three approaches. It argues that negotiators often deviate from perfect rationality during negotiations.