

CHAPTER 9

CONFLICT MANAGEMENT

CHAPTER OBJECTIVES

- To understand the nature of conflict in organizations
- To understand the traditional vs modern view of conflict
- To comprehend functional and dysfunctional conflict
- To understand the stages involved in the conflict process
- To underscore the meaning of negotiation
- To learn about different types of bargaining strategies
- To comprehend the negotiation process

NATURE OF CONFLICT IN ORGANIZATIONS

The concept of conflict, being an outcome of behaviours, is an integral part of human life. Wherever there is interaction, there is conflict. Conflict can be defined in many ways and can be considered as an expression of hostility, negative attitudes, antagonism, aggression, rivalry and misunderstanding. It is also associated with situations that involve contradictory or irreconcilable interests between two opposing groups. It can be defined as a disagreement between two or more individuals or groups, with each individual or group trying to gain acceptance of its view or objectives over others.

Conflict must be distinguished from competition, even though sometimes intense competition leads to conflict. Competition is directed towards obtaining a goal and one group does not interfere with the efforts of another group while conflict is directed against another group and actions are taken to frustrate the other group's actions towards goal achievement.

Changing View of Conflict

The earlier traditional view of conflict considered it harmful, destructive and unnecessary. This view was consistent with the attitudes that prevailed about group behaviour and interaction during 1930s and 1940s. The existence of conflict was regarded as a sign that something had gone wrong and it needed to be corrected. The view held that conflict is to be avoided at all costs. Both the scientific

management approach and the administrative school of management relied heavily on developing such organizational structures that would specify tasks, rules, regulations, procedures and authority relationships so that if a conflict develops then these built-in rules and regulations would identify and correct problems of such conflict. It was believed that the existence of conflict reflected poor management and the deliberate efforts of trouble makers. Thus through proper management techniques and attention to the causes of conflict, it could be eliminated and organizational performance improved. The Human Relations school subscribed to a similar theory that conflict is avoidable by creating an environment of goodwill and trust. Since organizational conflict involves disagreements on such factors as allocation of resources, nature of goals and objectives, organizational policies and procedures, nature of assignments and distribution of rewards, this conflict at its worst can lead to unnecessary stress, blockage in communication, lack of cooperation, increased sense of distrust and suspicion and this results in reduced organizational effectiveness. Accordingly, management has always been concerned with avoiding conflict if possible and resolving it soon if it occurs. This is the dysfunctional role of conflict, whereby, conflict obstructs the achievement of the goals of a group.

In recent years however, management scholars have shifted their view of conflict. This view is known as behavioural view and it proposes that because people differ in their attitudes, values and goals, conflict is but a natural outcome in any group of people and that it can be helpful and constructive if it is handled properly. The more modern view of conflict holds that conflict may in fact, under certain situations, be necessary for performance effectiveness, because harmonious, peaceful and cooperative groups can become static and such level of conflict that keeps the group alive, self critical and creative is desirable and management is usually encouraged to maintain such level of conflict. It is known as functional conflict. It supports the goals of a group and also improves its performance. This is specially true in such organizations as Research and Development, advertising agencies, public policy groups and so on. Some of the positive consequences of conflict are:

- *It helps in analytical thinking.* Conflict may induce challenge to such views, opinions, rules, policies, goals and plans that would require a critical analysis in order to justify these as they are or make such changes that may be required. As H.M. Carlisle puts it, "no situation is more detrimental to an organization than letting poor decisions go unchallenged."
- *It helps in increased cohesion.* Conflict between different organizations develops loyalty and cohesion within an organization and it develops a greater sense of group identity in order to compete with outsiders. It fosters dedication and commitment to organizational and group goals.
- *Conflict promotes competition and hence it results in increased efforts.* Some individuals are highly motivated by conflict and severe competition. For example, a professor who is turned down for a promotion due to conflict within the division may work harder to prove that he is more capable and deserves a promotion. Similarly, if a group of production workers during the day shift finds out that the similar group at night shift produced more, it would result in the improved performance for the day shift also. Thus such conflict and competition leads to high level of effort and output.
- *It serves as a foundation for organizational development.* Conflict with the status quo is a pre-requisite to change. Creative and innovative people are always looking for grounds to challenge the status quo. These challenges lead to search for alternatives to existing patterns that leads to organizational change and development.

- *Conflict when expressed can clear the air and reduce tension.* Some disagreements if unexpressed, can lead to imaginative distortions of truth, sense of frustration and tension, high mental exaggerations and biased opinions resulting in fear and distrust. However, when it is expressed, it may show the cause of conflict to be a minor one resulting in cooperation and compromise.

Types of Conflict Situations

Since conflict has both positive and negative connotations and consequences, it must be looked into and managed for useful purposes. The management must survey the situation to decide whether to stimulate conflict or to resolve it. Thomas and Schmidt have reported that managers spend up to twenty per cent of their time in dealing with conflict situations. Hence, it is very important that managers understand the type of conflict that they have to deal with so that they can devise some standardised techniques in dealing with common characteristics of conflicts in each type of category. There are five basic types of conflicts. These are:

Conflict within the individual The conflict within the individual is usually value related, where the role playing expected of the individual does not conform with the values and beliefs held by the individual. For example, a secretary may have to lie on instructions that her boss is not in the office to avoid an unwanted visitor or an unwanted telephone call. This may cause a conflict within the mind of the secretary who may have developed an ethic of telling the truth. Similarly, many Indians who are vegetarians and visit America and find it very hard to remain vegetarians, may question the necessity of the vegetarian philosophy, thus causing a conflict in their minds.

In addition to these value conflicts, a person may have a role conflict. For example, a telephone operator may be advised and required to be polite to the customers by her supervisor who may also complain that she is spending too much time with her customers. This would cause a role conflict in her mind. Similarly, a policeman may be invited to his brother's wedding where he may find that some guests are using drugs which is against the law. It may cause conflict in his mind as to which role he should play—of a brother or of a policeman. Conflict within an individual can also arise when a person has to choose between two equally desirable alternatives or between two equally undesirable goals.

Interpersonal conflict Interpersonal conflict involves conflict between two or more individuals and is probably the most common and most recognised conflict. This may involve conflict between two managers who are competing for limited capital and manpower resources. For example, interpersonal conflicts can develop when there are three equally deserving professors and they are all up for promotion, but only one of them can be promoted because of budget and positional constraints. This conflict can become further acute when the scarce resources cannot be shared and must be obtained.

Another type of interpersonal conflict can relate to disagreements over goals and objectives of the organization. For example, some members of a board of a school may want to offer courses in sex education while others may find this proposal morally offensive thus causing conflict. Similarly, a college or a university may have a policy of quality education so that only top quality students are admitted while some members of the organizational board may propose "open admissions" policy where all high schools graduates should be considered for admission. Such a situation can cause conflict among members of the governing board. In addition to conflicts over the nature and substance

of goals and objectives, they can also arise over the means to reach these goals. For example, two marketing managers may argue as to which promotional methods would result in higher sales. These conflicts become highlighted when they are based upon opinions rather than facts. Facts are generally indisputable resulting in agreements. Opinions are highly personal and subjective and may provide for criticism and disagreements.

These conflicts are often the results of personality clashes. People with widely differing characteristics and attitudes are bound to have views and aims that are inconsistent with the views and aims of others.

Conflict between the individual and the group As we have discussed before, all formal groups as well as informal groups have established certain norms of behaviour and operational standards that all members are expected to adhere to. The individual may want to remain within the group for social needs but may disagree with the group methods. For example, in some restaurants, all tips are shared by all the waiters and waitresses. Some particular waitress who may be overly polite and efficient may feel that she deserves more, thus causing a conflict within the group. Similarly, if a group is going on strike for some reason, some members may not agree with these reasons or simply may not be able to afford to go on strike, thus causing conflict with the group.

This conflict may also be between the manager and a group of subordinates or between the leader and the followers. A manager may take a disciplinary action against a member of the group, causing conflict that may result in reduced productivity. ‘Mutiny on the Bounty’ is a classic example of rebellion of the crew of the ship against the leader, based upon the treatment the crew received. The conflict among the armed forces is taken so seriously that the army must obey their commander even if the command is wrong and in conflict with what others believe in.

Intergroup conflict An organization is an interlocking network of groups, departments, sections and work teams. These conflicts are not so much personal in nature, as they are due to factors inherent in the organizational structure. For example, there is active and continuous conflict between the union and the management. One of the most common, unfortunate and highlighted conflict is between line and staff. The line managers may resent their dependence on staff for information and recommendations. The staff may resent their inability to directly implement their own decisions and recommendations. This interdependence causes conflict. These conflicts that are caused by task interdependencies require that the relationship between interdependent units be redefined, wherever the values of these interdependent factors change, otherwise these conflicts will become further pronounced.

These inter-unit conflicts can also be caused by inconsistent rewards and differing performance criteria for different units and groups. For example, salesmen who depend upon their commission as a reward for their efforts may promise their customers certain quantity of the product and delivery times that the manufacturing department may find it impossible to meet, causing conflict between the two units.

Different functional groups within the organization may come into conflict with each other because of their different specific objectives. There are some fundamental differences among different units of the organization both in the structure and the process and thus each unit develops its own organizational sub-culture. These sub-cultures, according to Lawrence and Lorsch differ in terms of: (a) goal orientation that can be highly specific for production but highly fluid for Research and

Development, (b) time orientation that is short run for sales and long run for research, (c) formality of structure that is highly informal in research and highly formal in production and (d) supervisory style that may be more democratic in one area as compared to another.

A classic example of inter-unit conflict is between sales and production, as discussed earlier. The sales department is typically customer-oriented and wants to maintain high inventories for filling orders as they are received, which is a costly option as against the production department that is strongly concerned about cost effectiveness requiring as little inventory of finished product at hand as possible.

Similarly, inter-group conflict may arise between day shift workers and night shift workers who might blame each other for anything that goes wrong from missing tools to maintenance problems.

Inter-organizational conflict Conflict also occurs between organizations that in some way are dependent on each other. This conflict may be between buyer organizations and the supplier organizations about quantity, quality and delivery times of raw materials and other policy issues, between unions and organizations employing their members, between government agencies that regulate certain organizations and the organizations that are affected by them. These conflicts must be adequately resolved or managed properly for the benefit of both types of organizations.

THE CAUSES OF CONFLICT

The various types of conflict as discussed above have already been pointed out in the previous discussion. Basically, the causes of conflict fall into three distinct categories. Accordingly, these causes can be restructured and placed into one of these categories. These categories deal with communicational, behavioural and structural aspects.

Communicational Aspects of Conflict

Poor communication, though not reflecting substantive differences, can have powerful effect in causing conflict. Misunderstood or partial information during the process of communication can make a difference between the success and the failure of a task and such failure for which the responsibility becomes difficult to trace can cause conflict between the sender of the communication and the receiver of the communication. Thus the problems in the communication process – whether these problems relate to too much or too little communication, filtering of communication, semantic problems or noise – act to retard collaboration and stimulate misunderstanding. The filtering process occurs when information is passed through many levels or when it passes through many members. The amount of information is functional up to a point, beyond which it becomes a source of conflict. Semantic difficulties arise due to differences in backgrounds, differences in training, selective perception and inadequate information about others.

As an example, if a manager going on an extended vacation fails to communicate properly with his subordinates as to who would be doing what, he will find these jobs only partially done with subordinates blaming each other for not completing the tasks. Accordingly, adequate, complete, and correctly understood communication is very important in orderly completion of tasks, thus reducing the chances of a conflict.

Behavioural Aspects of Conflict

These conflicts arise out of human thoughts and feelings, emotions and attitudes, values and perceptions and reflect some basic traits of a personality. Thus some people's values or perceptions of situations are particularly likely to generate conflict with others. For example, highly authoritarian and dogmatic persons are more prone to antagonise co-workers by highlighting minor differences that might exist and may overreact causing a conflict. This conflict may also be based on personal biases regarding such factors as religion, race or sex. Some men feel poorly about women workers. These conflicts are not about issues but about persons. Some families carry on enmity for generations.

The conflict can also arise due to differing viewpoints about various issues. For example, two vice-presidents may differ in their viewpoints regarding which strategic plan to implement. The value-based conflicts arise due to different values that may be culturally based. For instance, one vice-president may want to retire some workers to save costs while another vice-president may have human sensitivity and support other methods of cutting costs. As another example, a professor may value freedom of teaching methods and a close supervision of his teaching technique is likely to induce conflict.

From an organizational behaviour point of view, there is conflict between the goals of the formal organization and the psychological growth of the individual. While the formal organization demands dependency, passivity and to some degree obedience from its members, the psychologically developed individuals exhibit independence, creativity and a desire to participate in decision making and decision implementing process. The needs of individuals and the formal organization being inconsistent with each other, result in behavioural conflict.

Structural Aspects of Conflict

These conflicts arise due to issues related to the structural design of the organization as a whole as well as its sub-units. Some of the structurally related factors are:

Size of the organization The larger the size of the organization, the more the basis for existence of conflict. It is likely that as the organization becomes larger, there is greater impersonal formality, less goals clarity, more supervisory levels and supervision and greater chance of information being diluted or distorted as it is passed along. All these factors are breeding grounds for conflict.

Line-staff distinction One of the frequently mentioned and continuous source of conflict is the distinction between the line and staff units within the organization. Line units are involved in operations that are directly related to the core activities of the organization. For example, production department would be a line unit in a manufacturing organization and sales department would be considered line unit in a customer oriented service organization. Staff units are generally in an advisory capacity and support the line function. Examples of staff departments are legal department, public relations, personnel and research and development.

Some of the sources of conflict between line and staff are:

- Since the staff generally advises and the line decides and acts, the staff often feels powerless.
- Staff employees may simply be resented because of their specialized knowledge and expertise.
- Occasionally, staff employees are impatient with the conservative and slow manner in which the line managers put the staff ideas to work. Also line managers may resist an idea because they did not think of it in the first place, which hurts their ego.

- Staff has generally easier access to top management which is resented by the line management.
- Staff is generally younger and more educated and did not go through the run of the mill and hence their ideas may be considered more theoretical and academic rather than practical.
- There is conflict about the degree of importance between the line and staff as far as the contribution towards the growth of the company is concerned.
- The line usually complains that if things go right then the staff takes the credit and if things go wrong, then the line gets the blame for it.
- Generally the staff people typically think in terms of long-range issues while line people are more involved with short-term or day-to-day concerns. These differing time horizons can become a source of conflict.

Participation It is assumed that if the subordinates are not allowed to participate in the decision making process then they will show resentment that will induce conflict. On the other hand ironically, if subordinates are provided with greater participation opportunities, the levels of conflict also tend to be higher. This may be due to the fact that increased participation leads to greater awareness of individual differences. This conflict is further enhanced when individuals tend to enforce their points of view on others.

Role ambiguity A role reflects a set of activities associated with a certain position in the organization. If these work activities are ill defined, then the person who is carrying out these activities will not perform as others expect him to, because his role is not clearly defined. This will create conflict, specially between this individual and those people who depend upon his activities. A hospital or a medical clinic employing a number of physicians with overlapping specialties might cause conflict due to role ambiguity. Such conflict can be reduced by redefining and clarifying roles and their interdependencies.

Design of work-flow These are primarily inter-group problems and conflicts that are outcomes of poorly designed work-flow structure and poorly planned coordination requirements, specially where tasks are interdependent. According to Sashkin and Morris "organizations are made up of many different groups that must work together towards the accomplishment of common objectives." For example, in a hospital, the doctors and nurses must work together and their tasks are highly interdependent. If they do not coordinate their activities well, then there will be confusion and conflict. Similarly, in a restaurant, the cook and the waiter depend upon each other for critical information and uncoordinated activities between the cook and the waiter would create conflicts.

Scarcity of resources When individuals and units must share such resources as capital, facilities, staff assistance and so on, and these resources are scarce, there is high competition for them, in such cases, conflict can become quite intense. This is specially true in declining organizations, where resources become even more scarce due to cutback in personnel and services so that the concerned units become highly competitive for the shrinking pool, thus creating hostility among groups who may have put up a peaceful front at the time of abundance. For example, two research scientists who do not get along very well, may not show their hostility until a reduction in laboratory space provokes each to protect his area.

CONFLICT PROCESS

There are five stages in a conflict. These are latent conflict, perceived conflict, felt conflict, manifest conflict, and conflict aftermath.

- (i) **Latent Conflict:** The first stage of conflict is latent conflict in which the factors that could become a cause of potential conflict exist. These are the drive for autonomy, divergence of goals, role conflict and the competition for scarce resources.
- (ii) **Perceived conflict:** Sometimes a conflict arises even if no latent conflict is present. In this stage one party perceives the others to be likely to thwart or frustrate his or her goals. The case, in which conflict is perceived when no latent conflict arises, is used to result from the parties misunderstanding each other's true position. Such conflict can be resolved by improving communication between the groups.
- (iii) **Felt Conflict:** Felt conflict is the stage when the conflict is not only perceived but actually felt and cognized. For example, A may be aware that he is in serious argument with B over some policy. But this may not make A tense or anxious and it may have no effect, whatsoever, on A's affection towards B. The personalization of conflict is the mechanism which causes many people to be concerned with dysfunctions of conflict. In other words, it makes them feel the conflict. There are two reasons for the personalization of the conflict:
 - (i) the inconsistent demands on efficient organization and individual growth which is caused within the individual. Anxieties may also result from crisis or from extra-organizational pressures. Individuals need to vent these anxieties in order to maintain equilibrium.
 - (ii) Conflict becomes personalized when the whole personality of the individual is involved in the relationship. Hostile feelings are most common in the intimate relations that characterize various institutions and residential colleges.
- (iv) **Manifest Conflict:** Manifest conflict is the stage when the two parties engage in behavior which evokes response from each other. The most obvious of these responses are open aggression, apathy, sabotage, withdrawal and perfect obedience to rules. Except for prison riots, political revolutions and extreme labor unrest, violence as a form of manifest conflict is rare. The motives towards violence may remain they tend to be expressed in less violent forms.
- (v) **Conflict Aftermath:** The aftermath of a conflict may have positive or negative repercussion for the organization depending upon the how conflict is resolved. If the conflict is genuinely resolved to the satisfaction of all participants, the basis for more cooperative relationship may be laid or the participants in their drive for a more ordered relationship may focus on latent conflicts not previously perceived and dealt with. On the other hand, if the conflict is merely suppressed but not resolved, the latent conditions of conflict may be aggravated and explode in a more serious form until they are rectified. This conflict episode is called conflict aftermath.

CONFLICT MANAGEMENT

Except in very few situations where the conflict can lead to competition and creativity so that in such situations the conflict can be encouraged, in all other cases where conflict is destructive in nature, it

should be resolved as soon as it has developed and all efforts should be made to prevent it from developing.

Preventing Conflict

Some of the preventive measures that the management can take, according to Schein are:

Goal structure Goals should be clearly defined and the role and contribution of each unit towards the organizational goal must be clearly identified. All units and the individuals in these units must be aware of the importance of their role and such importance must be fully recognised.

Rewards system The compensation system should be such that it does not create individual competition or conflict within the unit. It should be appropriate and proportionate to the group efforts and reflect the degree of interdependence among units where necessary.

Trust and communication The greater the trust among the members of the unit, the more honest and open the communication among them would be. Individuals and units should be encouraged to communicate openly with each other so that they can all understand each other, understand each other's problems and help each other when necessary.

Coordination Coordination is the next step to communication. Properly coordinated activities reduce conflict. Wherever there are problems in coordination, a special liaison office should be established to assist such coordination.

Resolving Behavioural Conflict

Various researchers have identified five primary strategies for dealing with and reducing the impact of behavioural conflict. Even though different authors have given different terminology to describe these strategies, the basic content and approach of these strategies remain the same. These are:

Ignoring the conflict In certain situations, it may be advisable to take a passive role and avoid it all together. From the manager's point of view, it may be specially necessary when getting involved in a situation would provoke further controversy or when conflict is so trivial in nature that it would not be worth the manager's time to get involved and try to solve it. It could also be that the conflict is so fundamental to the position of the parties involved that it may be best either to leave it to them to solve it or to let events take their own course. The parties involved in the conflict may themselves prefer to avoid conflict, specially if they are emotionally upset by the tension it causes. Thus people may try to get away from conflict causing situations.

Smoothing Smoothing simply means covering up the conflict by appealing for the need for unity rather than addressing the issue of conflict itself. An individual with internal conflict may try to "count his blessings" and forget about the conflict. If two parties have a conflict within the organization, the supervisor may try to calm things down by being understanding and supportive to both parties and appealing to them for cooperation. The supervisor does not ignore or withdraw from the conflict nor does he try to address and solve the conflict but expresses hope that "everything will work out for the best of all." Since the problem is never addressed, the emotions may build up further and suddenly explode. Thus smoothing provides only a temporary solution and conflict may resurface again in the course of time. Smoothing is a more sensitive approach than avoiding in that as long as the parties agree that not showing conflict has more benefits than showing conflict, then such conflict can be avoided.

Compromising A compromise in the conflict is reached by balancing the demands of the conflicting parties and bargaining in a 'give and take' position to reach a solution. Each party gives up something and also gains something. The technique of conflict resolution is very common in negotiations between the labour unions and management. It has become customary for the union to ask for more than what they are willing to accept and for management to offer less than what they are willing to give in the initial stages. Then through the process of negotiating and bargaining, mostly in the presence of arbitrators, they reach a solution by compromising. This type of compromise is known as integrative bargaining in which both sides win in a way.

Compromising is a useful technique, particularly when two parties have relatively equal power, thus no party can force its viewpoint on the other and the only solution is to compromise. It is also useful when there are time constraints. If the problems are complex and many faceted, and the time is limited to solve them, it might be in the interest of conflicting parties to reach a compromise.

Forcing As Webber puts it, "the simplest conceivable resolution is the elimination of the other party—to force opponents to flee and give up the fight—or slay them." This is a technique of domination where the dominator has the power and authority to enforce his own views over the opposing conflicting party. This technique is potentially effective in situations such as a president of a company firing a manager because he is considered to be a trouble-maker and conflict creator. This technique always ends up in one party being a loser and the other party being a clear winner. Many professors in colleges and universities have lost promotions and tenured reappointments because they could not get along well with their respective chairpersons of the departments and had conflicts with them. This approach causes resentment and hostility and can backfire. Accordingly, management must look for better alternatives, if these become available.

Problem solving This technique involves "confronting the conflict" in order to seek the best solution to the problem. This approach objectively assumes that in all organizations, no matter how well they are managed, there will be difference of opinions that must be resolved through discussions and respect for differing viewpoints. In general, this technique is very useful in resolving conflicts arising out of semantic misunderstandings. It is not so effective in resolving non-communicative types of conflicts such as those that are based on differing value systems, where it may even intensify differences and disagreements. In the long run, however, it is better to solve conflicts and take such preventive measures that would reduce the likelihood of such conflicts surfacing again.

Resolving Structural Based Conflicts

The structural based conflicts are built around organizational environments and can be resolved or prevented by redesigning organizational structure and work-flow. A general strategy would be to move towards as much decentralization as possible so that most of the disputes can be settled at the lower levels in the organization, and faster too.

Since interdependency is one of the major causes of conflict, it is necessary to identify and clarify poorly defined and poorly arranged interdependencies or to make these adequately understood and reliable. This can be achieved through unifying the work-flow. This work-flow can be designed either to increase the interdependencies or to eliminate them entirely. Increased interdependencies can be achieved through more frequent contacts and improved coordinating mechanisms. This would make the two interdependent units act as a single unit thus eliminating the cause of conflict. The other extreme could be to make the two units totally independent of one another. For example,

in the case of units building an automobile engine, instead of an assembly line operation in which each person or unit is involved in sequential assembly so that each unit depends upon the work of the previous units, each major unit can work on the entire engine at the same time.

However these extremes are not in common practice. More often, the strategy would be to reduce the interdependence between individuals or groups. A common approach to do that is by "buffering". Buffering requires that sufficient inventories be kept on hand between interrelated units so that they always have the materials to work with thus reducing their interdependency. Another cause of conflict, is the undefined, unclear and ambiguous job expectation. It is important to clarify what each individual and each subunit is expected to accomplish. This would include authority-responsibility relationship and a clear line of hierarchy. In addition, policies, procedures and rules should be clearly established and all communication channels must be kept open so that each person knows exactly what role he has to play in the hierarchical structure. This would avoid situations in which none of the two units does the job because each thought the other was supposed to do or both units do the same job thus duplicating efforts due to misunderstanding. Thus, if each subordinate is fully aware of his responsibility, then such problems would not occur.

How to solve conflict arising due to competition for scarce resources? Conflicts will occur whenever the wants and needs of two or more parties are greater than the sum of the firm's resources available for allocation. These resources may be in the form of a pay raise, promotion, office space, office equipment and so on. This conflict can be reduced by planning ahead about the proper distribution of such resources, instead of making haphazard and last minute allocations.

The conflict between different departments may be managed by establishing liaison. Liaison officers are those who are neutral in their outlook and are sympathetic to both parties and kind of "speak the language" of both groups. They do not have a vested interest in any of these groups. According to studies conducted by Sykes and Bates, it was shown that in one company where there was evident conflict between sales and manufacturing, which are interdependent units, the problem was solved by establishing a demand analysis and sales order liaison office. The liaison group handled all communication for sales and resolved issues such as sales requirements, production capacity, pricing and delivery schedules.

Since one of the major causes of conflict is lack of proper knowledge and facts about how other people think and act, it may be a good idea to let the individuals work with different groups so that they know each other better and understand each other better. Care should be taken however that these individuals are technically capable of fitting in these various groups. This mutual understanding will result in trust and respect thus reducing the likelihood of conflict. This understanding can also be achieved by serving as members of the various committees. As individuals from various work units get to know each other better through the membership in the same committee, it leads to increased tolerance and understanding of different viewpoints as well as a realization that basically all units are pursuing similar objectives and same overall goal.

Stimulating Conflict

It has been pointed out earlier that under certain circumstances, conflict is necessary and desirable in order to create changes and challenges within the organization. In such situations the management would adopt a policy of conflict stimulation so that it encourages involvement and innovation. How does the manager recognise a situation that is vulnerable to conflict stimulation? Some of the factors

for creating conflict are: too much satisfaction with the status quo, low rate of employee turnover, shortage of new ideas, strong resistance to change, friendly relations taking precedence over organizational goals and excessive efforts at avoiding conflict. Some of the ways of stimulating conflict as suggested by S.P. Robbins are:

Appoint managers who support change Some highly authoritative managers are very conservative in their outlook and tend to suppress opposing viewpoints. Accordingly, change-oriented managers should be selected and placed in such positions that encourage innovation and change from the status quo.

Encourage competition Competition, if managed properly can enhance conflict which would be beneficial to the organization. Such competition can be created by tying incentives to performance, recognition of efforts, bonuses for higher performance and status enhancement. Such competition and conflict would result in new ideas regarding improving productivity.

Manipulate scarcity Let the various individuals and groups compete for scarce resources. This would cause conflict and make the individuals and groups do their best in order to fully utilise such resources. For example, one company president felt that the budget allocations to various departments did not reflect changing priorities and accordingly, a zero-based budget system was introduced so that each department had to justify its current budget regardless of the past allocations. This created fierce competition and conflict and resulted in changes in funds allocation that were beneficial to the organization.

Play on status differences Sometimes, ignoring the senior staff members and giving visible responsibilities to junior members makes the senior staff work harder to prove that they are better than the junior staff members. In one business school, the dean appointed a low-status assistant professor incharge of the curriculum. The senior professors resented having to answer to the junior professor. This caused conflict and in order to assert their superiority, the full professors initiated a series of changes that revitalised the entire MBA programme.

Interpersonal Trust Building

While there are a number of behavioural as well as organizational factors, as discussed before, that contribute to the existence of conflict, there may be just one single factor that may be highly contributory to reducing that conflict. This factor is "trust". Trust is, highly intangible element but very important in our civilized living. Its presence or absence can govern our inter-personal behaviour to large extent. Our ability to trust has a great impact on our working lives, our family interactions and our achievement of personal and organizational goals.

Since trust is a function of behaviour, such behaviours that lead to defensiveness must be identified and modified. These defensive or aggressive behaviours creat a climate that is conducive to mistrust thus leading to conflict in interpersonal areas. Jack Gibb has identified certain behaviours that he calls "aggressive" behaviours that should be avoided and certain behaviours which he calls "supportive" behaviours that tend to reduce defensiveness and conflict and should be promoted.

Dr. John K. Stout of the university of Scranton, writing in "Supervisory Management" (February 1984), suggests that these behaviours are not necessarily mutually exclusive, nor should all the aggressive behaviours be avoided under all circumstances, but in general the supportive behaviour attitudes should be adopted as much as possible. These behaviours are briefly described as follows:

Aggressive versus Supportive Behaviours

Evaluative versus descriptive behaviour Performance evaluations based upon emotional judgement and tainted by prejudice and residual anger from any previous encounters destroy trust. Making evaluations always brings in subjective opinions and subjective opinions relate to personal relationship rather than operations and facts. Descriptive attitude on the other hand simply describes factual elements that are visible, observable and verifiable, without reading behind the obvious or making judgements about motives and using the correct words to describe these activities builds up a feeling of fairness, equity and trust and this in turn reduces conflict.

Controlling versus problem-oriented behaviour Controlling attitude is highly authoritative and makes the subordinates feel like machines rather than human beings. The contribution of subordinates is limited to what the controller allows and thus stifles creativity, leading to resentment and conflict.

Problem-oriented behaviour, on the contrary looks for solutions in which all can participate. This will result in new answers and unique opportunities and this approach implies mutuality that builds dedication and commitment.

Using a strategy versus spontaneous behaviour A strategy is a carefully structured set of directions that gives the management a tool for maneuverability so that it can manipulate and gear others towards a predetermined objective and this may be resented by subordinates since they fear loss of autonomy.

Spontaneous interactions on the other hand are open, free flowing and result in open and honest communications in exploring each other's needs and viewpoints, exchanging information and ideas and developing a work environment of mutual trust and caring.

Neutral versus empathetic behaviours Neutral behaviour, though advisable in many situations, is considered as one of indifference and non-caring. All of us need friendship, respect and affections so we always want others to be on our side. Accordingly, the attitude of neutrality seems so impersonal that it is detrimental to the feelings of trust.

Empathy by contrast is the natural desire to get involved with other people, to share their feelings and emotions, to be interested in their needs and problems, to care and to understand them and their beliefs and attitudes and to be sincere and friendly. In this "me too" environment, a friendly relationship is always welcome.

Superiority versus equality behaviour Feelings of superiority based upon rank, prestige, power and authority are highly threatening to others and if this power is openly exhibited in talk and actions, it creates not only envy but also resentment. For example, the presence of a policeman at your door creates an initial fear because of the power and authority assigned to the police force.

Exhibiting equality, on the contrary, enhances interpersonal trust. We always feel more comfortable in the company of our own age group. A sense of equality reduces the complex of inferiority or complex of superiority, both of which are detrimental to the environment of trust.

Dogmatic versus open-minded behaviour A dogmatic person is one who is set in his own ways and is highly opinionated and does not leave any ground for cultivating genuine interaction with others because genuine interaction is based upon "give and take" attitude that a highly dogmatic person does not possess. As a result, the relationships remain superficial and trust is shallow, if any.

The open-minded individual, on the other hand, is adventurous, takes risks and is willing to experiment with new ideas and thoughts. In most bargaining and negotiating sessions, we are always

advised to "keep our minds open", so that we are receptive to any idea for discussion and adaptation. An open-minded person is like an "open book" and is highly predictable resulting in respect and trust.

These types of supportive behaviours on the part of management prevent conflict to a large degree and help in resolving conflict if it develops, in a mutually beneficial way. This is a win-win situation in which all parties come out as winners. In order to achieve this situation, the management can initiate a number of steps. First, the management must create a social environment in the work situation that is conducive to mutual problem solving. This is fundamental to creating trust among people and specially trust among workers for the management. This would involve open channels of communication, respect for each other's views and an open minded attitude on the part of management. Second, all efforts should be made to make the parties concerned sensitive to each other's attitudes, values and needs. This, according to Nichols and Steven, can be achieved through "reflective listening" in which the listener is made to repeat what the speaker has said in order to make sure that he has fully understood the speaker's message before speaking himself. This creates a clear understanding of one's opinions and beliefs and this type of clear and properly understood communication leads to respect and trust. Thirdly, the problem causing the conflict can be redefined or revised in such a manner that it becomes a common problem for both parties rather than making it a "win-lose" situation where one party wins and the other loses. For example, the problem between sales and production can be redefined as a problem of how to best serve the customer, to which both parties have a concern for, making it a problem to be mutually solved. Finally, only such solutions should be accepted that are acceptable to all concerned parties. This is considered to be the best way to "manage" conflict.

NEGOTIATION

Negotiation is the process of making joint decisions when the parties involved in negotiation have different and opposing preferences. Negotiation has special significance in situations of conflict, whether it is conflict between union and management in organizations or between countries such as India and Pakistan, where negotiations may be required to resolve the conflict over Kashmir. Conflicts and disagreements are likely to arise in work settings over such diverse matters as wages, performance evaluation, working conditions, job assignments, work schedules and so on.

In any type of negotiations, two important goals must be considered. One goal involves substance and other involves relationships. Reaching agreement on wage increases would be achievement of substance goal. The relationship goal deals with the outcomes that relate to how well the negotiating parties are able to work with each other, once the negotiation process has been concluded. An effective negotiation occurs when substance issues are resolved without negatively affecting the working relationships. In most organizations in America, the union and management remain in good and cordial relationship after the fight is over.

NEGOTIATION PROCESS

There are four phases to the negotiation process. The first is **preparation**, when you acquire all the documentation, facts, data and information necessary to bring others into agreement. For example, when negotiating contract details with external contractors, a project manager must gather the

number of project phases, breakdown of deliverables, milestones, time scales, resource requirements and expectations.

During preparation, it helps to look for win-win agreements that focus on shared interests. This opens the door to finding solutions and options that favor all parties.

In case an agreement is not reached, you should also prepare a fall-back position before entering into bargaining.

The second stage is to **exchange information and disclose necessary details** with the other party. This aids efficiency and reduces frustration by ensuring relevant information is available to all and appropriate considerations are made prior to meeting. On a project, this information may include cultural or environmental considerations, company standards, rules and policies.

Bargaining is the third phase. It is at this stage that most of the interaction between parties takes place, and individuals display a range of different negotiation styles and tactics to make their case. It is during bargaining that the risk of unsuccessful or troublesome negotiations is highest, with increased potential for tempers and frustrations to flare.

To bargain successfully, focus on common interests and objectives at the start to clear any assumptions.

You should also acknowledge your own triggers — the things others can say or do that make you react in a hostile or arrogant manner. If faced with a trigger, pause, ask questions so others can explain their point; listen, and then respond objectively and professionally.

It helps to bargain with the mindset that everyone is a problem solver, not an adversary. This paves the way for more questions, encouraging everyone to listen and collectively look for ways to agree.

The final phase of negotiation is **closure**. Like in a project life cycle, this phase formally seals and binds the parties into the outcomes of the agreement.

Negotiation Strategies

Many different models of negotiation have been put forward by theorists and practitioners, but they generally follow one of the two approaches. One is known as the “distributive negotiation”, and the other is known as the “integrative negotiation”. The distributive negotiation is a zero sum game in which parties are in a state of competition, whereby each party seeks dominance over the other and tries to maximise its own self-interests. Since the self-interest is to get the most out of the available resources and since the pool of the available resources is fixed, whatever one party wins the other party must lose. Integrative negotiation, on the other hand, is a collaborative model in which the parties seek to expand the range of possible outcomes and thereby maximise their individual benefits by sharing in the collective efforts and results. For example, a union may get better wages and in response may produce more in terms of quantity and quality. In such a situation, both the union as well as the management wins.

Characteristics of Distributive Negotiations

A case of distributive negotiation can either be a hard one or a soft one. The hard distributive negotiation takes place when each party holds out for what it wants without any compromise. Many times such attitude leads to an impasse. This happened in the case of Eastern Airlines, where the

union's demands were considered very high and the management refused to give in. The result was a strike by the workers and the end result was that the airline went into bankruptcy and ceased to exist.

In a soft distributive negotiation, both parties follow the give and take policy, make concessions, compromise on some issues and reach an agreement that is realistic and acceptable. In general, one party asks for much higher benefits than it is willing to accept and the other party offers much less than it is willing to give. Then by negotiation and compromise, they meet somewhere in the middle and both parties are happy. This meeting point is somewhere in the bargaining zone. This bargaining zone is defined by the following example:

"A graduate with MBA degree is negotiating a job offer with a company manager. He believes that he should get \$ 70,000 per year in salary but would be willing to settle for \$ 60,000 per year. That is the lowest salary he will accept for the job. The manager would like to offer \$ 55,000 per year but would be willing to go up to \$ 65,000 per year. Thus the minimum value of \$ 60,000 for the graduate and maximum offer of the manager of \$ 65,000 create a bargaining zone between \$ 60,000 and \$ 65,000. Negotiation takes place within this zone". Similarly, purchasing a car or a house represents distribute negotiation with a bargaining zone to maneuver the price.

Distributive negotiation is a necessary way of resolving differences between parties with mutually exclusive goals. Parties to the negotiation will withhold as much information as possible to gain an advantage and at the same time, they will try to get as much information from the opposing party as possible. Negotiators will generally have a very good idea as to what they are trying to accomplish and this is perhaps the most critical point of skillful negotiation. Negotiation should focus on realistic issues and not on egos about winning and not losing.

Characteristics of Integrative Negotiations

Integrative negotiation is a process in which the negotiating parties jointly work towards goals that are not mutually exclusive so that one party does not necessarily gain at the expense of the other. The approach of the parties is to work together to find out ways to utilize the resources in a best possible manner for the benefit of both parties. They engage in problem solving jointly to arrive at a mutual agreement that maximises benefit to each party.

Integrative negotiation has two aspects to it. One is the substantive part that includes the tangible issues to be discussed and negotiated. The other aspect is the intrinsic value in the agreement, that may be long-term cordial relationship between the parties or other benefits to both parties not directly related to the substance of the issues involved. Thus, it has an important dimension of building relationships.

The foundations for gaining truly integrative agreements rest on the following elements:

- *Supportive attitudes.* A supportive attitude requires that each party must be willing sincerely to trust the other party. This trust is based upon moral and ethical dimensions. Second, each party must be willing to share all relevant information with the other party, openly and honestly.
- *Behavioural foundations.* It is very important for the parties not to be emotional or personal. They must focus on issues and interests and not on positions and positions should be modified when necessary. The parties should avoid making premature judgements and should be willing to objectively look at the views offered by each party.

- *Information foundation.* These foundations involve each party becoming familiar with the “best alternative to a negotiated agreement” or BATNA. This means that each party must know and be prepared for any alternative in case a settlement is not reached. It is important for each party to know what any other methods the opposing party will pursue in case the negotiations fail. Not knowing the other party’s values and approach could put one party in a weaker position. If any of the two parties has a better alternative to negotiated settlement, such party would be in a stronger position. Accordingly, it is necessary to have as much information about the other party’s plans as possible.

THIRD PARTY ROLE IN NEGOTIATIONS

Sometimes when parties are unable to reach a conclusive settlement on their own or when some matters in the total package appear unresolved under current circumstances, a third party intervention may be required. The third party can either be an arbitrator or a mediator. In arbitration, the third party acts as a judge and has the power to issue a decision that is binding on all parties. This arbitrator may be assigned by the government or the courts or by agreement of both parties. The arbitrator listens to the positions advanced by both parties and makes a decision based on the merits of the case. In mediation, a neutral third party tries to persuade both parties to adopt a give and take policy and reach a settlement. He gives his reasons in a rational manner and encourages each party to respect the viewpoint of the opposing party. The mediator does not have the power to enforce his decision. Having a mediator is a common approach in negotiations between management and labour unions where trained mediators acceptable to both sides are called in to help resolve such issues where parties themselves have reached an impasse.

SUMMARY

“Man is not an island”, someone said and no one can simply live in isolation. People have to interact with each other individually and groups of people have to interact with other groups of people for one reason or another. In an organizational setting, various departments or units depend upon each other for resources, work or information. Even if these units do not depend upon each other directly, they do depend upon each other indirectly in that they all contribute towards the common organizational goal.

Wherever, there is interaction or interdependence, conflict is likely to occur. This conflict occurs because of competitive but incompatible goals or differences in attitudes towards methods of operation. Even though, some degree of conflict induces challenges that can bring about positive results, continuous and excessive conflict is highly detrimental to the health of the organizations. Accordingly, management must always be alert to the existence and degree of conflict that might be evident so that it can be kept under control and resolved when necessary.

Conflict exists in many forms. It can be within an individual where role playing is inconsistent with the beliefs held by the individual. It can also be between one person and another where both of them are competing for the same goal with the same available resources. There can be a conflict between an individual and a group when the individual disagrees with the group goals or its methodology. Finally, the inter-group conflict occurs between competing organizations, between labour unions and management, between buyers and suppliers and so on.

Conflict can be caused by poor communication where the intent of the message sent is different than the interpretation of the message received. It is also caused by personal biases regarding such factors as religion, race, sex or social status. The structural design of an organization can also be a contributory factor towards conflict creation. These structural aspects include the size of the organization, relationship between line and staff, poorly defined working roles, misuse of authority and so on.

The behavioural conflict can be resolved by simply showing respect for opposing viewpoints or simply ignoring the conflict as being trivial in the grand design of things. An arbitrator may be appointed to help solve the conflict between two individuals or two groups. Conflict can also be eliminated by simply overpowering the opposing party, if such a power exists.

The structural based conflict can be handled by making changes in the organizational format wherever possible. This change may involve decentralisation of power and authority or it may require reduction in interdependency of groups upon each other. It will further help in the resolution of conflict, if policies, procedures and rules are clearly established and all communication channels are kept open so that each person knows exactly what role he is assigned and how he has to play this role in the organizational structure.

If there is a single contributory factor that helps in reducing and eliminating negative conflict, it is ‘trust’. Trust or lack of it governs our inter-personal behaviour to a large extent. Our ability to trust each other has great impact on our working lives, on our family interactions and our achievement of personal and organizational goals. In order to create trust and be trustworthy, it is necessary to avoid aggressive behavior and at the same time develop supportive behaviours where people are respected for who they are or what they believe in and are treated equally without bias or prejudice. In case, a conflict develops at any level, it should be resolved with mutual benefit in mind.

Negotiation is the process of making joint decisions when the parties involved in negotiation have different and opposing preferences. Negotiation has special significance in situations of conflict, whether it is conflict between union and management in organizations or between countries such as India and Pakistan, where negotiations may be required to resolve the conflict over Kashmir. Conflicts and disagreements are likely to arise in work settings over such diverse matters as wages, performance evaluation, working conditions, job assignments, work schedules and so on.

CASE STUDY

George A. Hormel & Company has many meat packing plants around the country and one of these plants is located at Austin, Minnesota. During the mid 1980s, the company was faced with a decreasing demand for its products. It became necessary to cut the costs of operations in order to remain in business and be competitive. To keep its costs down, the management of the company cut the base wages of its union employees. This was done arbitrarily and without consulting or negotiating with the union representatives. Even though the dispute between the union and the management had been simmering for a long time at the plant in Austin, it culminated in a strike led by the union in August of 1985.

An arbitrator was appointed to act as a mediator and due to his recommendation, some of the cuts in wages were restored. The management offered to restore the balance of the cuts at the time

when the previous labour contract would expire and a new contract would be signed. The new contact was signed by all the unions at all other Hormel plants, except the one in Austin, and hence the strike. Because of the worker's strike, the plant was shut down.

The plant remained closed for nearly five months. The strike had not yet been settled when the management at the Austin plant decided to reopen the plant, and accordingly, some union members returned to work. Many other workers refused to return to work and formed a picket line and the local union urged its members not to cross the picket line. The management started to hire new workers to replace those who were on strike. There was conflict between the employees and the workers on strike, so much so, that at one time there was a danger of physical violence and local police had to be called in to restrain the workers who were on strike.

The local union sent some of its members to picket other Hormel plants and asked the union members at these other plants to honour the picket lines and not report for work. About a week after the Austin plant was reopened, the central management fired hundreds of their workers at plants in Texas, Iowa and Nebraska for refusing to cross the picket lines and refusing to report for work. This step was significant because picket lines at the other plants were not set up by the local employees but by the striking employees at the plant in Austin.

The strike at the plant in Austin went into ninth month. Tempers flared and violence erupted and in May 1986 hundreds of strikers fought with police outside the Austin plant. The parent union, United Food and Commercial Workers union also disagreed with the striking workers prompted by the local union, considering the economic slowdown and conditions in the industry. The President of the parent union decided to take over the operations of the local union and started proceedings to appoint a new union leadership at this plant. He believed that the conflict had gone too far and he hoped that with these changes, the strike would be over and the workers could go back to work.

Discussion Questions

1. Given the condition of economic slump, do you think the workers were wrong in going on strike? Give reasons.
2. Is the conflict between union and management inevitable? What preventive steps can be taken to avoid the possibility of worker strike? Explain your viewpoints.
3. Who were the winners and who were the losers in this conflict?
4. If you were hired as a mediator, after the union went on strike, what step would you recommend in order to minimize the negative impact of this conflict?

EXERCISES

Review Questions

1. Explain in detail the various types of conflict that are inherent in the very nature of human beings. Give examples that are relevant to each type of conflict.
2. What are the various causes of conflict? Are these causes attributable to external environment? If so, then what type of environment that is external to the individual can contribute towards creation of conflict?
3. What steps can be taken to reduce and resolve conflict that is behavioural in nature?
4. What steps can be taken to reduce and resolve conflict that is structural in nature?
5. Explain different negotiation strategies.