CONFLICT, POWER, AND POLITICS

Intergroup conflict is the behavior that occurs among groups when participants identify with one group and perceive that other groups may block their goal achievement, involves group identification, observable group differences, and frustration.

Competition is rivalry among groups in the pursuit of a common prize, whereas conflict presumes direct interference with goal achievement.

Intergroup conflict within organizations can occur horizontally across departments, or vertically between different levels of the organization. Conflict can also occur between different divisions or business units within an organization.

Sources of Conflict
Sources of intergroup conflict include goal incompatibility, differentiation, task interdependence, and limited resources. These characteristics are determined by the factors of environment, size, technology, strategy and goals, and organizational structure.

Goal incompatibility is probably the greatest cause of intergroup conflict.
The goals of each department reflect the specific objectives members are trying to achieve. The achievement of one department's goals often interferes with another department's goals, leading to conflict.

Differentiation, the differences in orientations among managers of different functional departments, may even involve cultural differences brought on by mergers or acquisitions.

Task interdependence, the dependence of one unit on another for materials, resources, or information, tends to increase the potential for conflict as opposed to pooled interdependence when units have little need to interact.

Limited resources, over matters as common as budget, may involve competition between groups and consequently source of conflict.

Rational versus Political Model

When goals are in alignment, there is little differentiation, departments have pooled interdependence, and resources seem abundant, managers can use a **rational model** in which goals are clear and choices are made in a logical way. However, the **political model** is used when differences are great, and groups have separate interests, goals, and values. Disagreement and conflict are normal, so power and influence are needed to reach decisions.   Although managers strive to use a rational approach, the political model often prevails.

Power and Organizations

Power is defined as the potential ability of one person (or department) to influence other people (or departments) to carry out orders or to do something they would not otherwise have done. Power exists only in a relationship between two or more people and can be exercised in vertical or horizontal directions.

Managers have five sources of individual power:
legitimate power is the authority granted by the organization to the position;
reward power stems from the ability to bestow rewards;
coercive power is the authority to punish others;
expert power derives from a person's skill or knowledge;
referent power comes from personal characteristics people admire.

Power in organizations results from the structure of the organization, with power vested in the position rather than in the person.

Some positions in the hierarchy have access to great resources or have great responsibility and authority.

Power versus Authority

Formal authority is related to power but is narrower in scope. **Authority** is a force for achieving desired outcomes, but only as prescribed by the formal hierarchy and reporting relationships.

Three properties identify authority:

1. *Authority is vested in organizational positions.* People have authority because of the positions they hold, not because of personal characteristics or resources.

2. *Authority is accepted by subordinates.* Subordinates comply because they believe position holders have a legitimate right to exercise authority.

3. *Authority flows down the vertical hierarchy.* Authority exists along the formal chain of command, and positions at the top of the hierarchy are vested with more formal authority than are positions at the bottom.

Formal authority is exercised downward along the hierarchy. Organizational power, on the other hand, can be exercised upward, downward, and horizontally in organizations.

Vertical Sources of Power

Whereas top management typically retains a large amount of power, some employees may obtain power disproportionate to their formal positions, and can influence in an upward direction.

Four major sources for vertical power:

Formal position provides legitimate power. Certain rights, responsibilities, and prerogatives accrue to top positions. People throughout the organization accept the legitimate right of top managers to set goals, make decisions, and direct activities. This is *legitimate power,* as defined earlier.

Resources (responsible for allocation of budgets, salaries, equipment, facilities) Organizations allocate huge amounts of resources.

These resources are allocated downward from top managers. Resources can be used as rewards and punishments, which are additional sources of power. Resource allocation also creates a dependency relationship.

Control of Decision Premises and Information. Control of **decision premises** means that top managers place constraints on decisions made at lower levels by specifying a decision frame of reference and guidelines.

In one sense, top managers make big decisions, whereas lower-level participants make small decisions.

The control of information can also be a source of power. Managers recognize that information is a primary business resource and that by controlling what information is collected, how it is interpreted, and how it is shared, they can influence how decisions are made.

Network centrality stems from central location in the organization with access to information and people that are critical to the company's success. Managers as well as lower-level employees are more effective and more influential when they put themselves at the center of a communication network, building connections with people throughout the company.

People. Top leaders often increase their power by surrounding themselves with a group of loyal executives. Loyal managers keep the leader informed and in touch with events and report possible disobedience or troublemaking in the organization.

Top executives can use their central positions to build alliances and exercise substantial power when they have a management team that is fully in support of their decisions and actions.

The Power of Empowerment

Empowerment is power sharing, the delegation of power or authority to subordinates in an organization. Increasing employee power heightens motivation for task accomplishment because people improve their own effectiveness, choosing how to do a task and using their creativity.

Empowering employees involves giving them three elements that enable them to act more freely to accomplish their jobs: information, knowledge, and power.

1. *Employees receive information about company performance.* In companies where employees are fully empowered, all employees have access to all financial and operational information.

2. *Employees have knowledge and skills to contribute to company goals.*
Companies use training programs and other development tools to help people acquire the knowledge and skills they need to contribute to organizational performance.

3. *Employees have the power to make substantive decisions.* Empowered employees have the authority to directly influence work procedures and organizational performance, such as through quality circles or self-directed work teams.

Horizontal Sources of Power

Horizontal power is not on the organization chart. It refers to relationships laterally and the ability of respective departments to impose their interests on other departments.

Power Sources

There are five strategic contingencies. In some organizations these power sources overlap, but each provides a useful way to evaluate sources of horizontal power.

1. **Dependency***.* Interdepartmental dependency is a key element underlying relative power. Power is derived from having something someone else wants. The power of department A over department B is greater when department B depends on department A.
2. **Financial resources***.* Control over resources is an important source of power in organizations. Money can be converted into other kinds of resources that are needed by other departments. Money generates dependency; departments that provide financial resources have something other departments want.
3. **Centrality***.* **Centrality** reflects a department's role in the primary activity of an organization. One measure of centrality is the extent to which the work of the department affects the final output of the organization.
4. **Non substitutability***.* Power is also determined by non substitutability**,** which means that a department's function cannot be performed by other readily available resources. Similarly, if an employee cannot be easily replaced, his or her power is greater.
5. **Coping with Uncertain***ty.* Elements in the environment can change swiftly and can be unpredictable and

complex. Departments that reduce this uncertainty for the organization will increase their power.

Political Processes in Organizations
Politics, like power, is intangible and difficult to measure.

Definition
Politics **is the use of power to influence decisions in order to achieve those outcomes.**

The exercise of power and influence has led to two ways to define politics as self serving behavior or as a natural organizational decision process.

The first definition emphasizes that **politics is self-serving** and involves activities that are not sanctioned by the organization. In this view, politics involves deception and dishonesty for purposes of individual self-interest and leads to conflict and disharmony within the work environment.

The second view sees **politics as a natural organizational process for resolving differences among organizational interest groups.**

Politics is the process of bargaining and negotiation that is used to overcome conflicts and differences of opinion.

The organization theory perspective views politics as described in the second definition. Politics is simply the activity through which power is exercised in the resolution of conflicts and uncertainty.

The formal definition of **organizational politics** is as follows: **Organizational politics involves activities to acquire, develop, and use power and other resources to influence others and obtain the preferred outcome when there is uncertainty or disagreement about choices.**

Political behavior can be either a positive or a negative force.

Political activity tends to appear more frequently when uncertainty is high and there is disagreement over goals, or when managers confront nonprogrammed decisions.