Organizational Conflict and Politics

Purpose

- Nature of intergroup conflict
- Use of power-Political/Rational model
- Political tactics to manage the conflicts
- Reduce conflict among individuals and groups
- Characteristics of organization that contribute the conflicts

Conflict is similar to competition but more severe

Interdepartmental Conflict in Organizations

- Groups may be dispersed across the organization
- Intergroup conflict requires three ingredients:
    1. Group Identification: Perceive themselves
    2. Observable Group Differences: Different places etc.
    3. Frustration: Achieving goals, try to advance their positions in relation to other groups

Sources of Conflict

- Some specific organizational characteristics can generate conflict.
- These sources of intergroup conflict are goal incompatibility, differentiation, task interdependence, and limited resources.
- These characteristics of organizational relationships are determined by the contextual factors of environment, size, technology, strategy and goals, and organizational structure,
- These characteristics, in turn, help shape the extent to which a rational model of behavior versus a political model of behavior is used to accomplish objectives.

Sources of Conflict

- ✓ Goal Incompatibility: Goals–reflect–objectives–interfere another dep.goals
- ✓ Differentiation: values–attitudes–standards of behaviour–subcultural–…….driven
- ✓ Task Interdependence. Dependence of one unit–materials–resources–information–reciprocal
- ✓ Limited Resources: power–budget

Marketing–Manufacturing Areas of Potential Goal Conflict

	MARKETING	versus MANUFACTURING
Goal Conflict	Operative Goal Is Customer Satisfaction	Operative Goal Is Production Efficiency
Conflict Area	**Typical Comment**	**Typical Comment**
1. Breadth of product line	"Our customers demand variety."	"The product line is too broad—all we get are short, uneconomical runs."
2. New product introduction	"New products are our lifeblood."	"Unnecessary design changes are prohibitively expensive."
3. Product scheduling	"We need faster response. Our customer lead times are too long."	"We need realistic commitments that don't change like wind direction."
4. Physical distribution	"Why don't we ever have the right merchandise in inventory?"	"We can't afford to keep huge inventories."
5. Quality	"Why can't we have reasonable quality at lower cost?"	"Why must we always offer options that are too expensive and offer little customer utility?"

Rational versus Political Model

- **The rational model** where behavior is not random or accidental
  - Goals are clear and choices are made logically
- **The political model** involves push and pull debate regarding goals
  - Organization groups have separate interests and goals

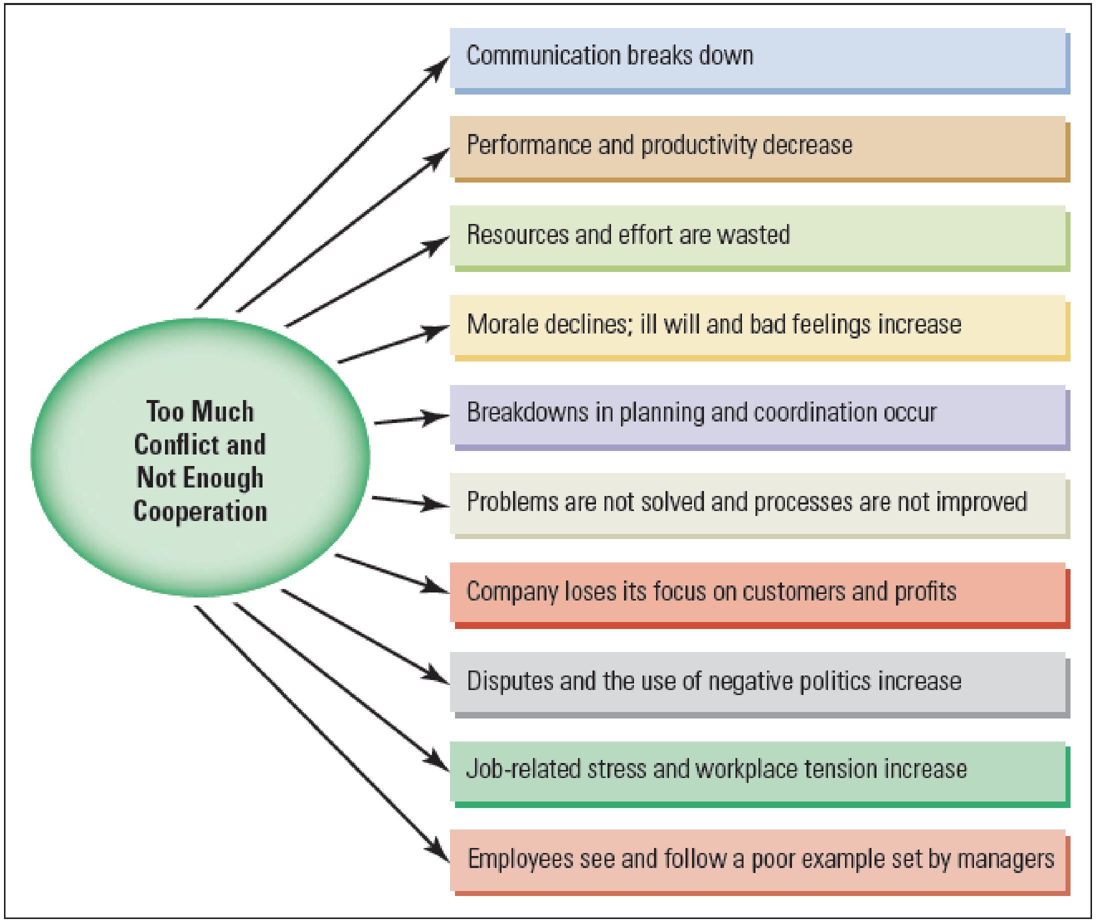
Sources of Conflict and Use of Rational versus Political Model

Sources of Potential Intergroup Conflict

- *Goal incompatibility*
- *Differentiation*
- *Task interdependence*
- *Limited resources*

When Conflict Is Low, Rational Model Describes Organization		When Conflict Is High, Political Model Describes Organization
Consistent across participants	*Goals*	*Inconsistent, pluralistic within the organization*
Centralized	*Power and control*	*Decentralized, shifting coalitions and interest groups*
Orderly, logical, rational	*Decision process*	*Disorderly, result of bargaining and interplay among interests*
Norm of efficiency	*Rules and norms*	*Free play of market forces; conflict is legitimate and expected*
Extensive, systematic, accurate	*Information*	*Ambiguous; information used and withheld strategically*

Top 10 Problems from Too Much Conflict



Tactics for Enhancing Collaboration

1. Create integration devices
2. Use confrontation and negotiation
3. Schedule intergroup consultation
4. Practice member rotation
5. Create shared mission and superordinate goals

Negotiation Strategies

Win-Lose Strategy	Win-Win Strategy
1. Define the problem as a win-lose situation.	1. Define the conflict as a mutual problem.
2. Pursue own group's outcomes.	2. Pursue joint outcomes.
3. Force the other group into submission.	3. Find creative agreements that satisfy both groups.
4. Be deceitful, inaccurate, and misleading in communicating the group's needs, goals, and proposals.	4. Be open, honest, and accurate in communicating the group's needs, goals, and proposals.
5. Use threats (to force submission).	5. Avoid threats (to reduce the other's defensiveness).
6. Communicate strong commitment (rigidity) regarding one's position.	6. Communicate flexibility of position.

Source: Adapted from David W. Johnson and Frank P. Johnson, *Joining Together: Group Theory and Group Skills* (Englewood Cliffs, NJ: Prentice-Hall, 1975), 182–183.

Power and Organizations

- Power is an intangible force in organizations. It cannot be seen, but its effect can be felt.
- Power is often 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.
- Other definitions stress that power is the ability to achieve goals or outcomes that power holders desire.
- The achievement of desired outcomes is the basis of the definition used here: Power is the ability of one person or department in an organization to influence other people to bring about desired outcomes.
- It is the potential to influence others within the organization with the goal of attaining desired outcomes for power holders.

Power and Organizations

- Power is the potential ability of one person to influence other people to bring about desired outcomes.
- **Individual versus Organizational Power**
  - Legitimate Power
  - Reward Power
  - Coercive Power
  - Expert Power
  - Referent Power

Power and Organizations

- Legitimate power is the authority granted by the organization to the formal management position a manager holds.
- Reward power stems from the ability to bestow rewards—a promotion, raise, or pat on the back—to other people.
- The authority to punish or recommend punishment is called coercive power.
- Expert power derives from a person's greater skill or knowledge about the tasks being performed.
- The last, referent power, is derived from personal characteristics: people admire the manager and want to be like or identify with the manager out of respect and admiration.
- Each of these sources may be used by individuals within organizations.

Power versus Authority

Authority is more narrow than power

- Defined by the formal hierarchy and reporting relationships

- Power can be exercised upward, downward, and horizontally
- Authority is exercised downward along the hierarchy

1) Authority is vested in organizational positions
2) Authority is accepted by subordinates
3) Authority flows down the vertical hierarchy

Power versus 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. **In most North American organizations, employees accept that supervisors can legitimately tell them what time to arrive at work, the tasks to perform while they're there, and what time they can go home.**
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.

Vertical Sources of Power

- **Formal Position** – legitimate power accrued to top positions
- **Resources** – resources can be used as a tool for power
- **Control of Information** – information is a primary business source
- **Network Centrality** – being centrally located in the organization and having access
- **People** – loyal executives/managers

Vertical Sources of Power

- **Formal Position** – legitimate power accrued to top positions
- 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. Thus, the power from formal position is sometimes called legitimate power.
- Senior managers often use symbols and language to perpetuate their legitimate power.

Vertical Sources of Power

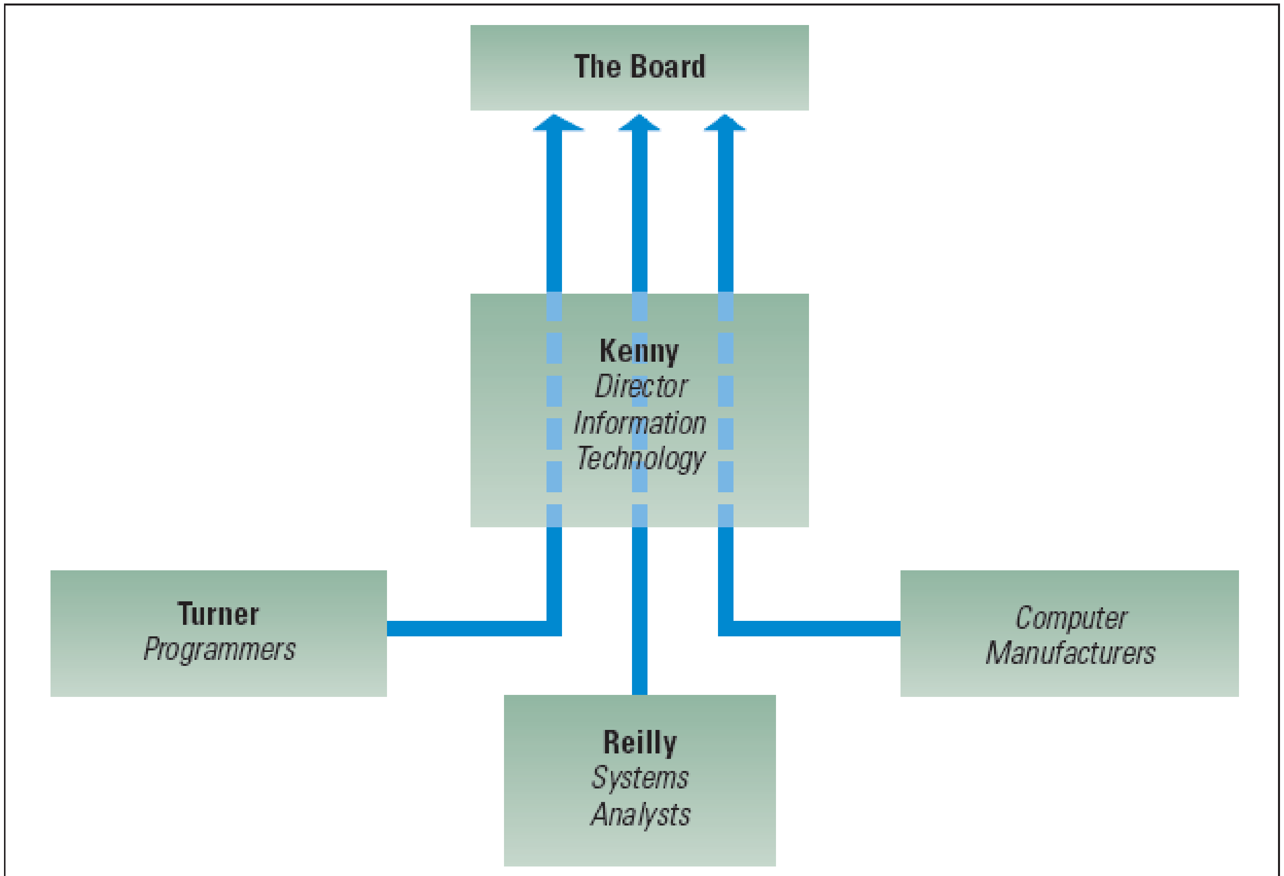
- Resources – resources can be used as a tool for power
- Organizations allocate huge amounts of resources. Buildings are constructed, salaries are paid, and equipment and supplies are purchased.
- Each year, new resources are allocated in the form of budgets. These resources are allocated downward from top managers.
- Top managers often own stock, which gives them property rights over resource allocation.

However, in many of today’s organizations, employees throughout the organization also share in ownership, which increases their power.

Vertical Sources of Power

- **Control of Decision Premises and Information.**– information is a primary business source.
- In one sense, top managers make big decisions, whereas lower-level participants make small decisions. Top management decides which goal an organization will try to achieve, such as increased market share.
- The control of information can also be a source of power. Managers in today's organizations 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.

Information Flow for Computer Decision at Clark Ltd.

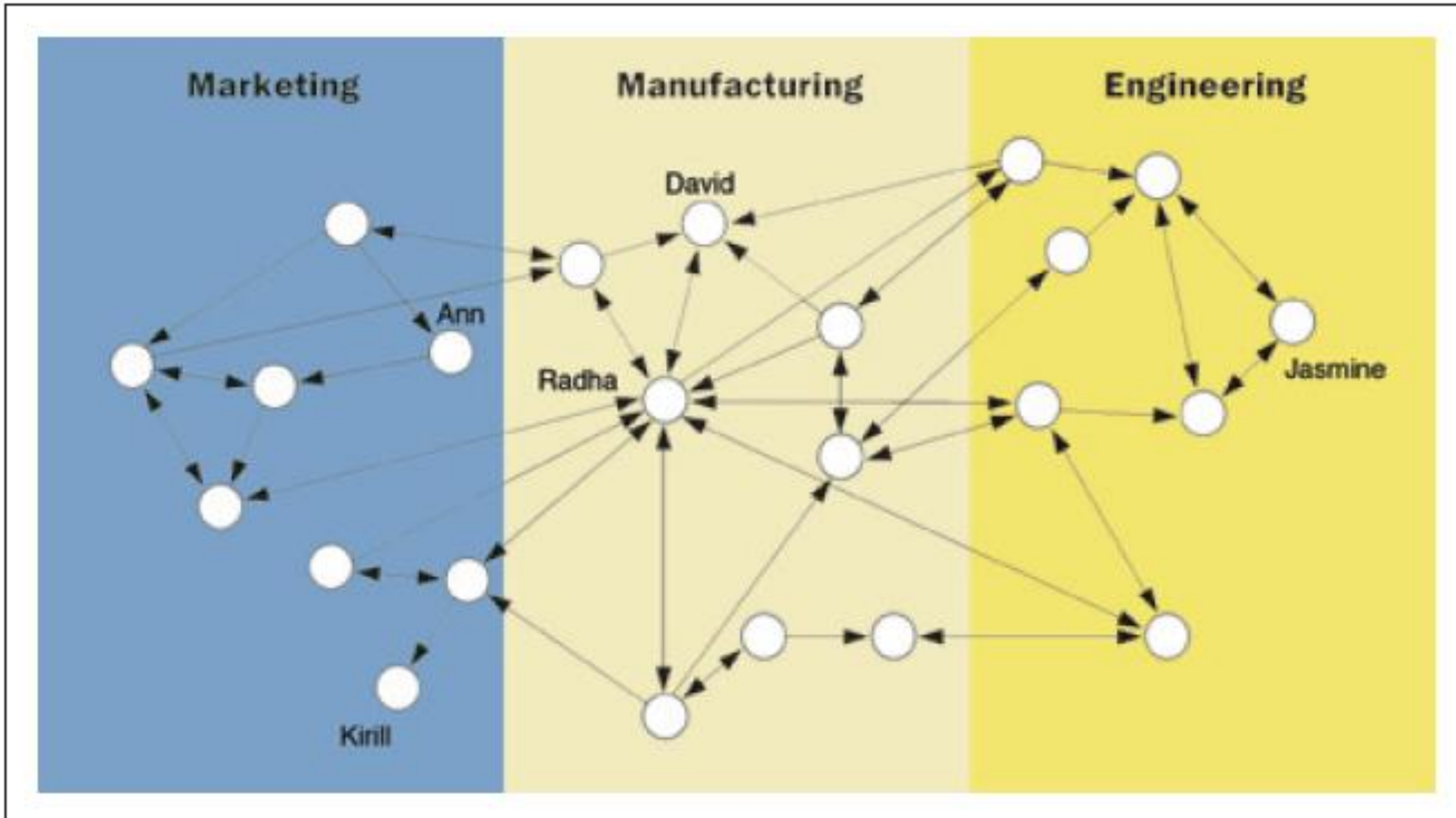


Source: Andrew M. Pettigrew, *The Politics of Organizational Decision-Making* (London: Tavistock, 1973), 235. Reprinted by permission of the author.

Vertical Sources of Power

- **Network Centrality** – being centrally located in the organization and having access to information and people that are critical to the company's success.
- People who show initiative, work beyond what is expected, take on undesirable but important projects, and show interest in learning about the company and industry often find themselves with influence.
- Physical location also helps because some locations are in the center of things. Central location lets a person be visible to key people and become part of important interaction networks.

Illustration of Network Centrality



Vertical Sources of Power

- **People** – loyal executives/managers
- Top leaders often increase their power by surrounding themselves with a group of loyal executives. Loyal managers keep the top 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.

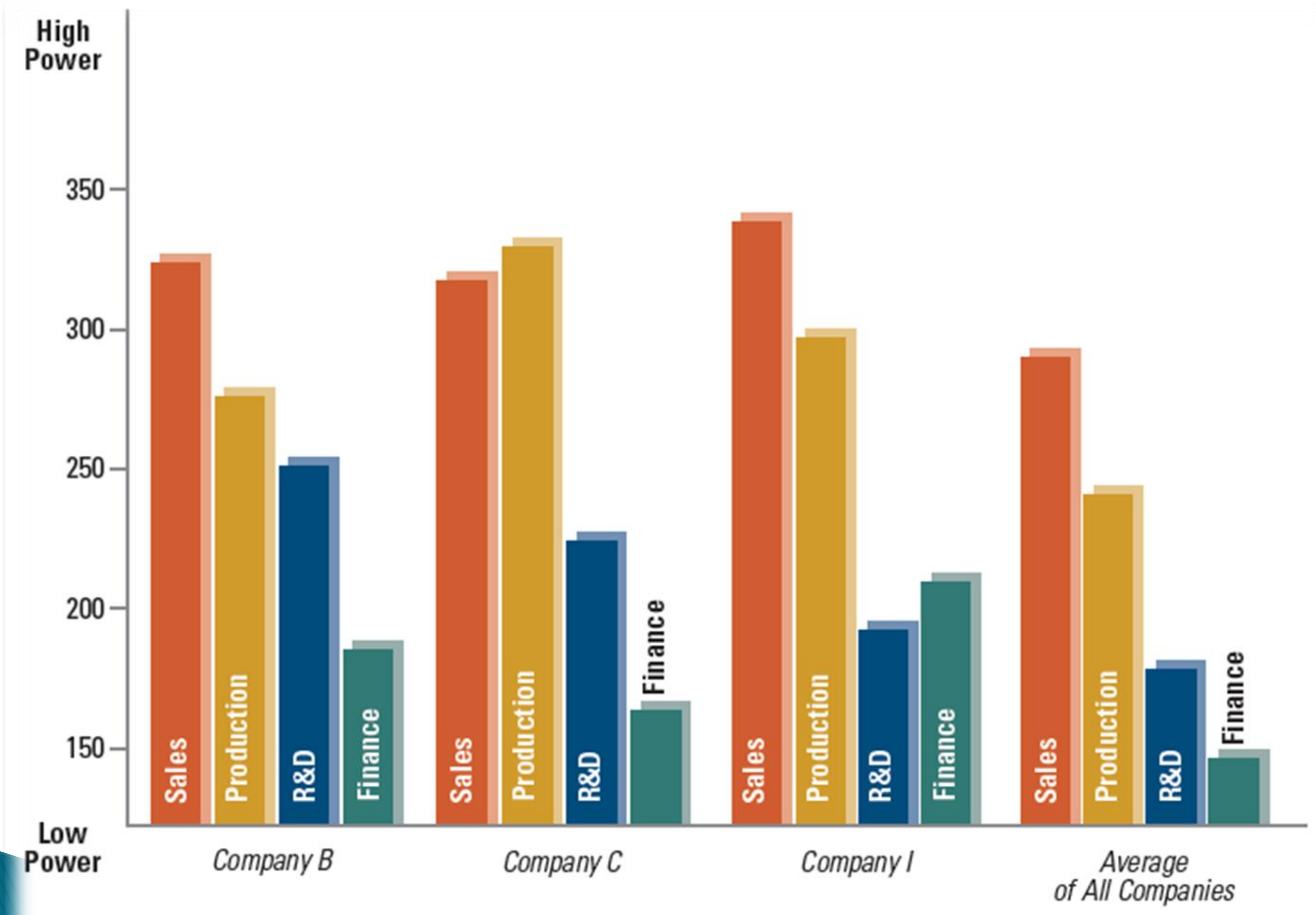
The Power of Empowerment

- Power sharing, the delegation of power or authority to subordinates
- **Empowerment benefits:**
  - Employees receive information about company performance
  - Employees have knowledge and skills to contribute to company goals
  - Employees have the power to make substantive decisions

Horizontal Sources of Power

- Relationships across departments, divisions, units.
- Horizontal power is not defined by the formal hierarchy or the organization chart.
- Each department makes a unique contribution to organizational success.
- Some departments will have greater say and will achieve their desired outcomes, whereas others will not.

Ratings of Power among Departments in Industrial Firms

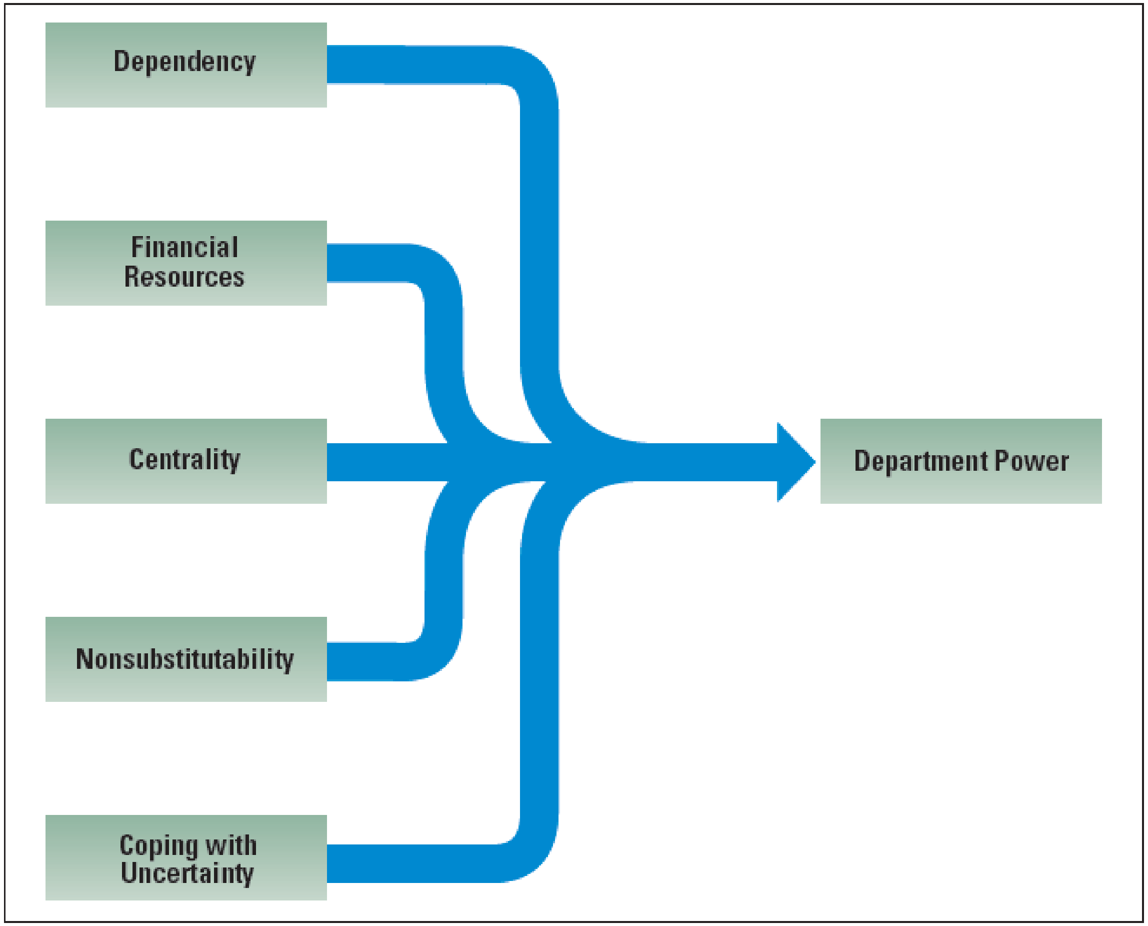


Source: Charles Perrow, "Departmental Power and Perspective in Industrial Firms," in Mayer N. Zald, ed., *Power in Organizations* (Nashville, TN: Vanderbilt University Press, 1970), 64.

Horizontal Sources of Power

- **Strategic Contingencies** – groups most responsible for key organization issues.
- Strategic contingencies are events and activities both inside and outside an organization that are essential for attaining organizational goals.
- Departments involved with strategic contingencies for the organization tend to have greater power.
- Departmental activities are important when they provide strategic value by solving problems or crises for the organization.
- **Power Sources** – five power sources that departments may possess

Strategic Contingencies That Influence Horizontal Power among Departments



Political Processes in Organizations

- **Politics** is the use of power to influence decisions toward goals
- **Organizational Politics** – activities to acquire, develop, and use power to influence goals
- **Domains of political activity:**
    - Structural Change
    - Management Succession
    - Resource Allocation

Design Essentials

- ✓ Conflict, power, and politics are natural outcomes of organizing
- ✓ There are two views for organizations: rational and political models
- ✓ There are vertical and horizontal sources of power
- ✓ Certain characteristics make some departments more powerful than others
- ✓ Managers need political skills
- ✓ Managers should enhance collaboration to reduce conflict