Learning Objectives

- Describe the nature of organizational conflict, its sources, and the way it arises between stakeholders and subunits
- Identify the mechanisms by which managers and stakeholders can obtain power and use that power to influence decision making and resolve conflict in their favor
Learning Objectives

- Explain how and why individuals and subunits engage in organizational politics to enhance their control over decision making and obtain the power that allows them to influence the change process in their favor
Appreciate the importance of managing an organization’s power structure to overcome organizational inertia and to bring about the type of change that promotes performance.
What is Organizational Conflict?

- The clash that occurs when the goal-directed behavior of one group blocks or thwarts the goals of another.
- Some conflict can improve organizational effectiveness.
  - Can overcome inertia and lead to learning and change.
Figure 14.1 – Cooperation and Competition Among Organizational Stakeholders

- Management
- Employees
- Unions
- Other stakeholders

- Pink: Area of goal agreement
- Yellow: Area of goal disagreement

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Figure 14.2 – Relationship Between Conflict and Organizational Effectiveness
Figure 14.3 – Pondy’s Model of Organizational Conflict

**Stage 1: Latent Conflict**
No outright conflict exists, but there is a potential for conflict because of several factors.

Sources of conflict:
1. Interdependence
2. Differences in goals and priorities
3. Bureaucratic factors
4. Incompatible performance criteria
5. Competition for resources

**Stage 2: Perceived Conflict**
Subunits become aware of conflict and begin to analyze it. Conflict escalates as groups battle over the cause of conflict.

**Stage 3: Felt Conflict**
Subunits respond emotionally to each other, and attitudes polarize: “us versus them.” What began as a small problem escalates into huge conflict.

**Stage 4: Manifest Conflict**
Subunits try to get back at each other. Fighting and open aggression are common, and organizational effectiveness suffers.

**Stage 5: Conflict Aftermath**
Conflict is resolved in a way that leaves subunits feeling combative or cooperative.
Managing Conflict: Resolution Strategies

- Organizational conflict can escalate rapidly and sour an organization’s culture
  - Managing conflict is an important priority
- Organizations must balance the need to have some “good” conflict without letting it escalate into “bad” conflict
- Choice of conflict-resolution method depends on the source of the problem
Because task interdependence and differences in goals produce conflict, alter the level of differentiation and integration to change task relationships.

- Increase the number of integrating roles
- Assign top managers to solve conflict
- Rethink the hierarchy/reporting chain to make sure there is no loss of control
What is Organizational Power?

- Organizational power: The ability of one person or group to overcome resistance by others to achieve a desired objective or result
  - Conflict and power are intimately related
Figure 14.4 – Sources of Organizational Power

- Authority
- Control over resources
- Unobtrusive power
- Control over uncertainty
- Control over information
- Nonsubstitutability
- Centrality

Functional or Divisional Power
Using Power: Organizational Politics

- Organizational politics: Activities taken within organizations to acquire, develop, and use power and other resources to obtain one’s preferred outcomes in a situation in which there is uncertainty or disagreement about choices.
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<th>Using Power: Tactics for Playing Politics</th>
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<td>▪ Increasing indispensability</td>
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<td>▪ Increasing nonsubstitutability</td>
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<td>▪ Increasing centrality</td>
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<td>▪ Associating with powerful managers</td>
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<td>▪ Building and managing coalitions</td>
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<td>▪ Manipulating decision making</td>
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<td>▪ Controlling the agenda</td>
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<td>▪ Bringing in an outside expert</td>
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To manage organizational politics and gain its benefits – an organization must establish a balance of power in which alternative views and solutions can be offered and considered by all parties and dissenting views can be heard.

Balance of power should shift over time toward the party that can best manage the uncertainty and contingencies confronting the organization.
Costs and Benefits of Organizational Politics

- If balance of power does not encourage allocation of resources to where value is created, the organization suffers.
- If powerful managers can suppress views against their interests:
  - Debates become restricted
  - Checks and balances fade
  - Bad conflict increases
  - Organizational inertia increases
Figure 14.5: Maintaining a Balance of Power

A. Power Balance. Decisions result from bargaining between subunits, which improves the quality of organizational decision making.

B. Power Imbalance. Decisions are made in the interests of one subunit. As a result, the quality of decision making may decline.
Thank You..

All the Best..