Organizational Design Change and Transformation
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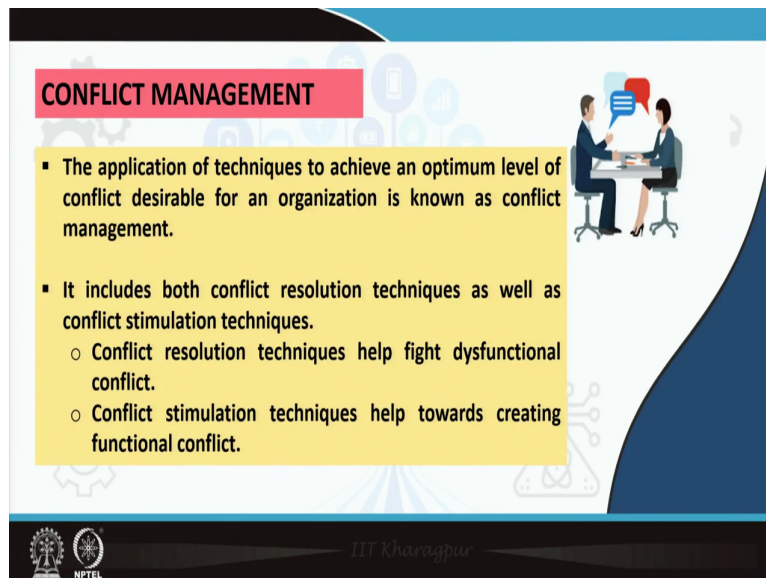
Module - 06
Lecture - 27
Managing Conflict, Power, and Politics

[FL] today we will be continuing with our discussion on Conflict and Conflict Management.

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This is module 6 and lecture 2. In the previous lecture we spoken about conflict, the transitions in conflict thought, functional and dysfunctional conflict, relationship, task and process conflict, the types of conflict and the conflict process.

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Today we will be dwelling upon conflict management and negotiation.
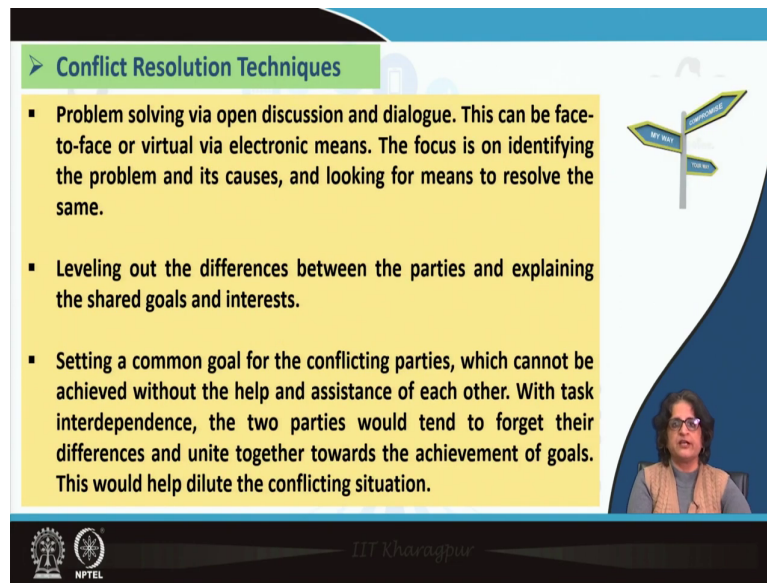
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Now, the application of techniques to achieve optimum level of conflict which is desirable for an organization is known as conflict management. In my previous lecture we said that too little of conflict or too much of conflict, hampers a organizational performance.

But moderate levels of conflict or optimum levels of conflict is good for an organization, is healthy for an organization and such conflicts could actually lead to functional consequences and functional outcomes in the form of increased performance or creativity, innovation and so forth. So, the application of such techniques to achieve an optimum level of conflict which can be desirable for an organization is known as conflict management.

Now, this involves or this includes both conflict resolution as well as conflict stimulation strategies. Conflict resolution techniques will actually help fight dysfunctional conflict, they will you know try to minimize the dysfunctional outcomes of conflict and they basically help

fight dysfunctional conflict. On the other hand conflict stimulation techniques help create conflict which can lead to functional outcomes for the organization and so, they help towards creating functional conflict.

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Let us first discuss the conflict resolution techniques. What are the various conflict resolution techniques that organizations can adopt? The first is problem solving via open discussion and dialogue. Now, you know any form of a dialogue whether it is face to face or whether it is virtual through electronic means can act you know as can be useful you know in resolving a conflict when the two individuals or the two parties or two groups are brought in you know face to face to each other or they are brought together virtually or electronically.

They get to discuss the you know the problem issue, they get to you know discuss the problem with each other. There is a healthy dialogue that can happen between you know the

two parties and this can lead to problem solving. So, the focus is on identifying the problem and the causes and look for means which can help resolve the problem and the conflict.

The second could be leveling out differences between the parties and explaining the shared goals and interests. As we have discussed earlier individuals need to work with others, teams need to work with others, groups need to work with others so that organizational objectives are retained.

In very often there is you know there is there are conflicting roles, responsibilities, interests, conflicting goals which may lead to conflict, but then the parties and conflict whether it is individuals or as groups need to be made to understand the importance of task interdependence and they need to understand how each of them must work together, coordinate with each other to be able to achieve goals.
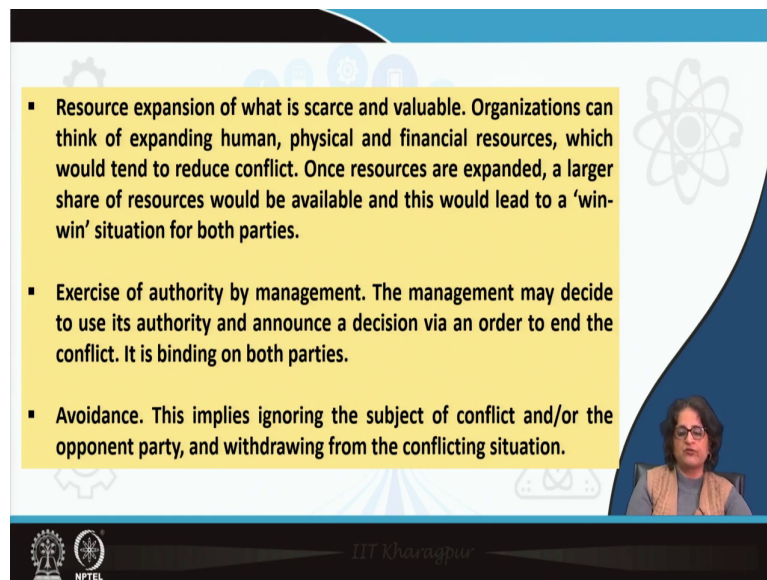
And they all need to work with each other especially if there is huge amount of task interdependence either as sequential or reciprocal. And so, it is important that they level out the differences between themselves and look for shared goals and interests and work towards them.

So, in you know if one of the ways in which the countries can be resolved is by leveling out the differences between the parties and bringing to surface the shared goals and interests and making the two parties understand you know how important the shared goals and interests are and how they must work together for achievement of the objectives.

The third is setting a common goal for conflicting parties which cannot be achieved without the help and assistance of each other. So, with task interdependence the two parties you know will tend to forget the differences between each other you know when they know that they are sequentially dependent on each other or reciprocally dependent on each other, they would tend to forget their differences and they will unite with each other towards the attainment of goals.

So, this would also help dilute the conflicting situation.

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The next is a resource expansion of what is scarce and valuable. Now, this is not always feasible in organizations in reality resources will always be scarce and limited yet you know if organizations can expand the resource expand the resources which are scarce or which are valuable for people or for either as individuals or as groups then the then there are chances that the conflict can be resolved.

So, organizations can think of expanding human, physical and financial resources, which would tend to reduce the conflict and once resources are expanded, a larger share of those resources would be available and this would mean that both the parties in conflict could be
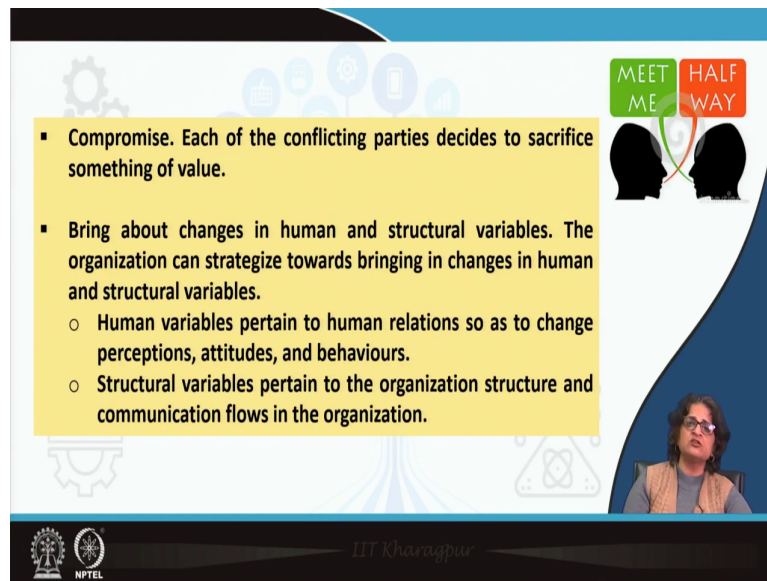
able to get larger resources to their to themselves and this would lead to a 'win-win' situation for both the parties.

The next is exercise of authority by management. So, if the conflict is not easily you know managed or you know is cannot be easily controlled then the management may decide to use its authority and announce a decision to you know to end the conflict and the decision would be such it could be binding on both the parties.

So, if the organization realizes that the conflict is going beyond a stage where it can be controlled then the management can come up with an order, which can come up with a memo and come up with a decision to end the conflict and this decision would be binding on both the parties.

Another way to resolve the conflict is avoidance. This implies ignoring the subject of conflict or the reasons and it also would mean you know ignoring the opponent parties and withdrawing from the conflicting situation.

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Another way to resolve conflict is compromise each of the conflicting parties decides to sacrifice something of value to each other. So, it is a; it is a situation of you know meeting half way and it is a situation of you know nobody wins entirely. Both the parties lose something, but yet they compromise and reach a solution.

So, another way by which conflicts can be resolved is by bringing about changes in the human and structural variables human variables pertain to human relations. So, organizations can you know come up with you know training programs, counseling, sessions and organizational development interventions to improvise human relations and to bring about changes in perceptions, attitudes and behaviours.

Structural variables pertain to the organization structure and communication flows and the management can also think about bringing about change in structural variables to resolve conflict or to you know minimize conflict that is prevalent in the organization.

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We now come to this conflict stimulation techniques you know so first is communication: Use of too much or too little communication, ambiguous and unclear messages, rumour and gossip all of this can help create conflict and when an organizations are very static when things are going on very harmoniously and people have begun to act very passively.
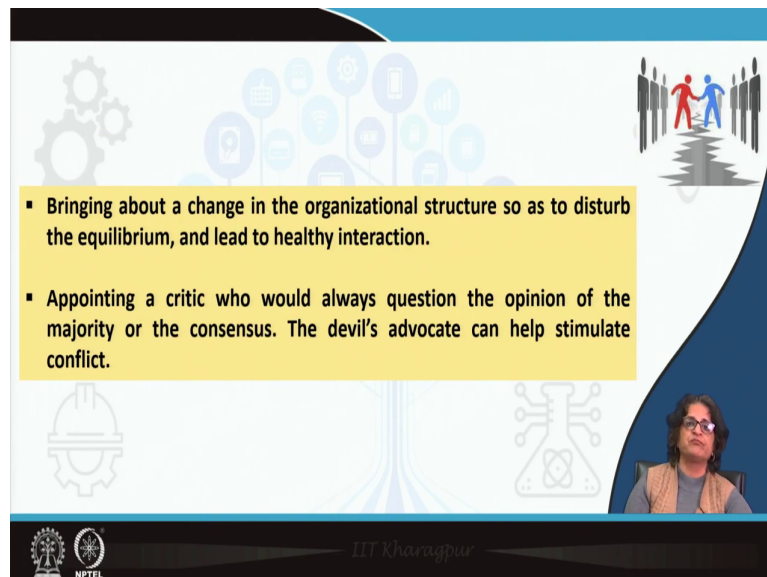
The management may think of stimulating conflict through rumours or through gossip or through too much of communication or too little communication and through ambiguous and

unclear messages. So, this can be used to stimulate conflict particularly you know when the organization feels that conflict is needed to bring about functional outcomes.

Infusion of fresh blood and outsiders in the organization would mean that there is an infusion of people with diverse with varied backgrounds, values, attitudes, newer you know thinking and this can lead to varied views and perceptions of people of the fresh blood and varied views and perceptions then those of people already present in the organization.

So, this would lead to divergence in thought processes and this could lead to divergent views of thinking and it could lead to discussions and healthy discussions amongst the people or amongst the parties and could would lead to creativity, with lead to you know newer thinking, when you are at the ways of thinking and could you know stimulate creativity and lead to innovation.

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Bringing about a change in the organizational structure to disturb the power equilibrium and it can and lead to healthy interaction is also one of the ways by which organizations can stimulate conflict. Another way to stimulate conflict is to appoint a critic who would always question the opinion of the majority or the consensus. In other ways we are talking of somebody who is a devil's advocate, the devil's advocate and actually helps stimulate conflict.

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Now, most conflict resolution strategies end up using three basic techniques win-win, win-lose and lose-lose. So, there are these three approaches win-win, win-lose and lose-lose and of these three it is the win-win strategy which is the most effective and we will be speaking about it in detail when we discuss negotiations.

But, management always has an option to choose amongst these three strategies of lose-lose, win-lose and win-win and the best strategy is of course, the win-win strategy because it leaves both parties satisfied at the end of the day.

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So, in the lose-lose approach both parties lose as is evident you know the approach can take several forms compromising or adopting middle ground using a third party or an arbitrator and resorting to government rules and regulations to resolve the conflict. In any of in whichever form is used it leads to a situation where both the parties would lose and so, we refer to it as a lose-lose approach.

Win-win approach is when both parties win it is a situation which is most desirable. And a win-lose approach is where one party wins at the loss of the other. So, it is one party in conflict wins and the other party loses, a third party or an arbitrator may be used and it is a

'we' versus 'they' situation where one the we wins at the loss of the other which is the they. Of course as I said the ideal approach is the win-win approach if the most desirable where both the parties win.

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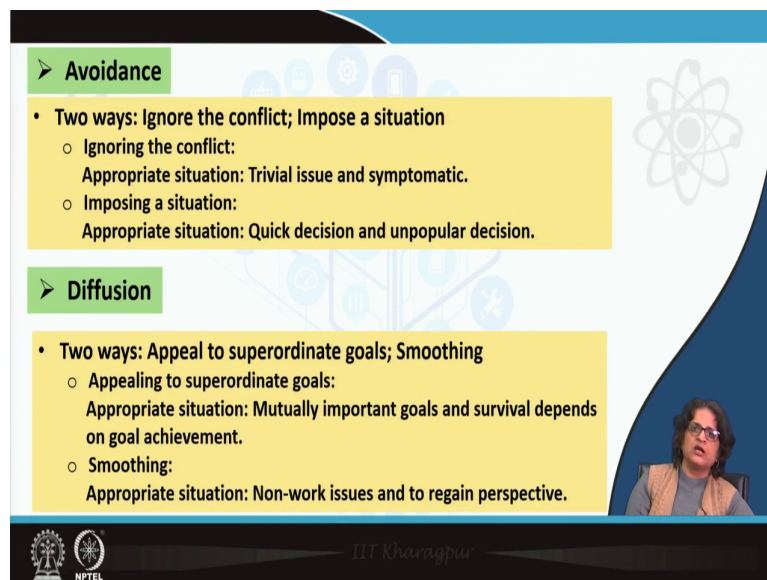
Now, we come to strategies for conflict management there is four broad strategies avoidance, diffusion, containment and confrontation.

Avoidance you know the strategy avoidance as a strategy for conflict management may manifest in two forms: Ignoring the conflict or imposing a situation. Ignoring the conflict the appropriate situation for would be when the issue is trivial and symptomatic. So, when the subject of conflict is very trivial you know management may think of ignoring the conflict. On the other hand another approach could be imposing a situation.
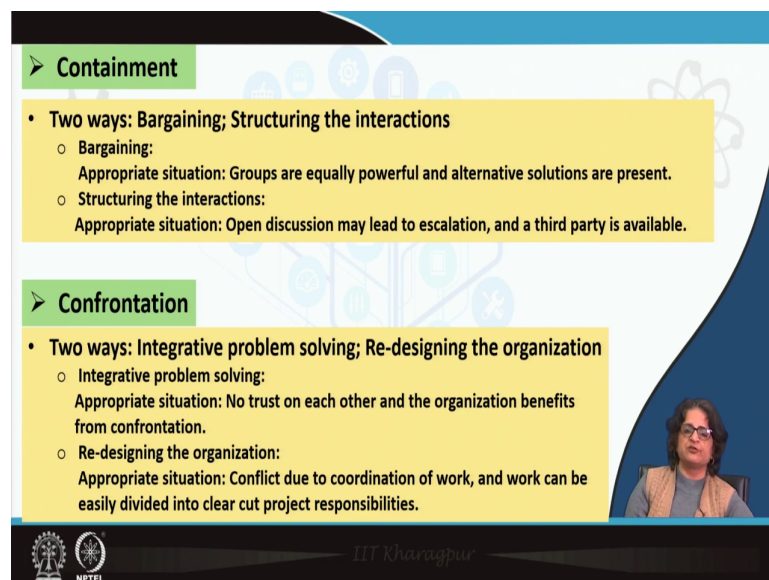
So, when the management feels that it needs to act very quickly to bring about end to the conflict and when they feel that it is going to be an unpopular decision the management may use, may decide to impose a situation and so both of these are categorized as avoidance in terms of conflict management strategies.

The second is diffusion another diffusion as a as a strategy for conflict management may again manifest in two ways. One in terms of appealing to super ordinate goals and 2 is

smoothing. Coming to appealing to super ordinate goals the mutually important goals and survival depends on goal achievement and in such cases this would be an appropriate strategy. When mutually important goals and survival depends on goal achievement you know appealing to super ordinate goal is appropriate strategy.

The second is smoothing. Smoothing is appropriate when it pertains to non-work issues and when the when the organization wants to you know regain perspective it would it would be desirable to use smoothing as a technique for conflict management.

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The third is containment, containment as a strategy for conflict management you know gain manifest in two ways which is bargaining and structuring the interactions. Bargaining as a strategy is appropriate when groups are equally powerful and alternative solutions are present.
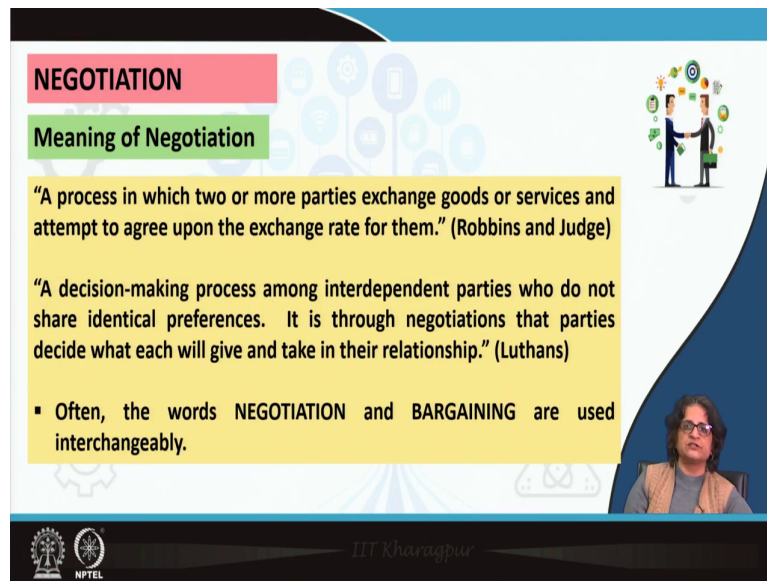
Structuring the interactions is a good strategy to adopt when open discussion may lead to escalation and when a third party is available.

Finally, we come to confrontation as a strategy for conflict management again which manifests in two ways. One is integrative problem solving and the second is redesigning the organization. Integrating Integrative problem solving as a technique may be used when people do not trust each other or when the conflicting parties do not trust each other.

And the organization benefits from confrontation and redesigning the organization you know would be a good technique to adopt when the conflict is due to coordination of work and work can be easily divided and into clear cut project responsibilities. So, these are four different approaches or four different strategies which may be used for conflict management and we have avoidance, we have diffusion, we have containment and we have confrontation.

Avoidance manifests as ignoring the conflict and imposing a situation, diffusion manifests as appealing to superordinate goals and smoothing, containment manifests as bargaining and structuring the interactions and confrontation manifests as integrative problem solving and redesigning the organization.

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Finally, we come to negotiation. Now, what is negotiation? Robbins and Judge have defined negotiation as, "a process in which two parties exchange goods and services and attempt to agree upon the exchange rate for them". Now, often the word negotiation and bargaining is used interchangeably.
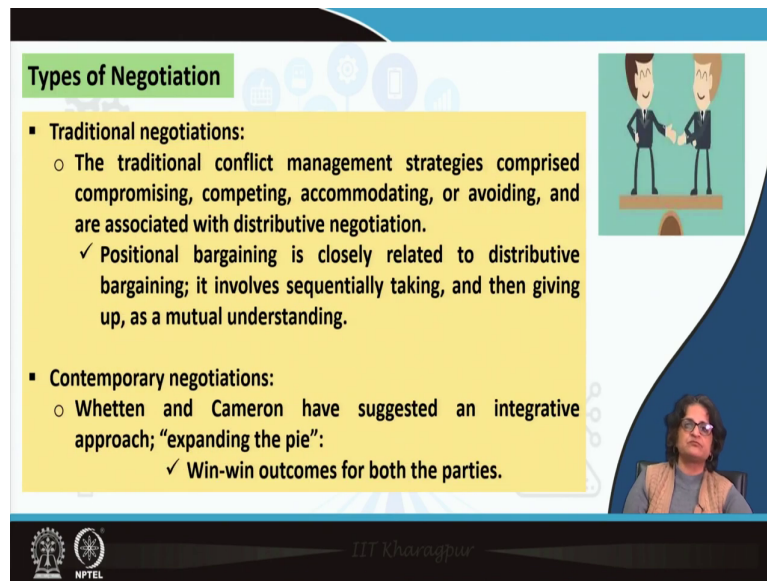
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When we talk of types of negotiation, traditional negotiations, the traditional conflict management strategies used you know comprised compromising, competing, accommodating or avoiding and were associated with distributive negotiation. Now, what is distributive negotiation?
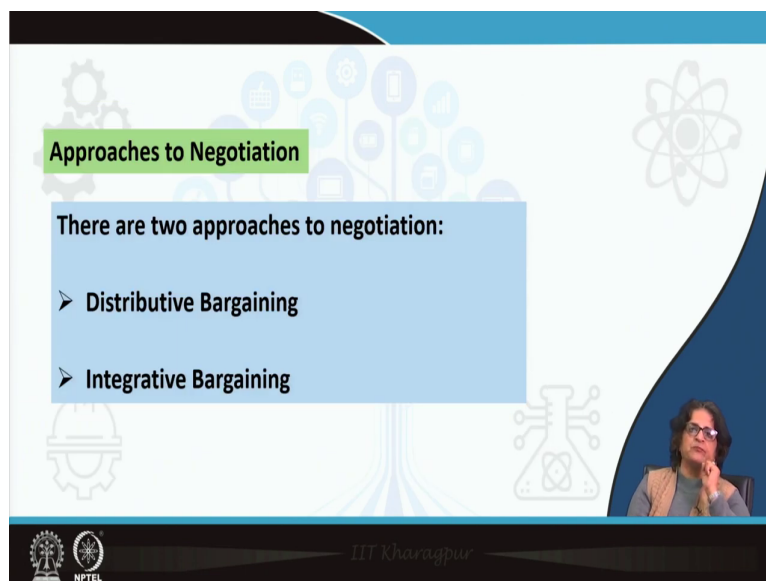
It is when there is a win for one at a loss for the other. So, positional bargaining is closely related to distributive bargaining, it involves sequentially taking and then giving up as mutual understanding. But contemporary negotiations where you know suggest an integrative approach where we have Whetten and Cameron who said that it is best to "expanding the pie" or best to expand the resources. So, that there is a win-win outcome for both the parties.

So, while traditional negotiations you know manifested as compromising, competing, accommodating or avoiding and were associated with distributive negotiation, contemporary

negotiations you know believe in expanding the pie or expanding the share of the resources. So, that it is a win-win outcome for both the parties and in a way the contemporary negotiation suggests an integrative approach to bargaining.

So, you know we have you know this approach to expand the pie or to expand the resources. So, that both the parties can are left you know leave the negotiation with a win-win in mind.
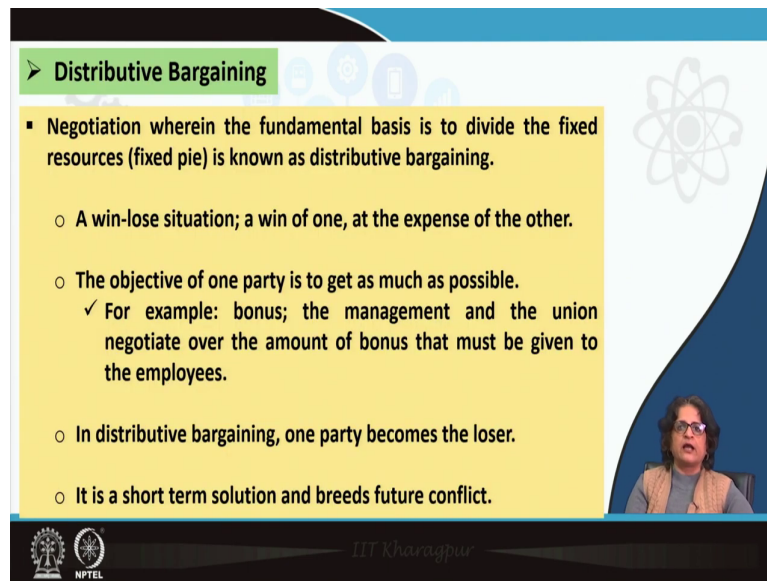
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So, there are two approaches to negotiation, distributive bargaining and integrative bargaining.

And when we talk of distributive bargaining we talk of a win-lose situation, a win-of-one at the expense of the other. So, negotiation where the fundamental basis is to divide the fixed resources or the fixed pie you know is known as distributive bargaining. So, you are dividing the fixed pie, the win-of-one is the loss of the other. So, one party gains at the expense of the other. So, the objective of the party is to get as much as possible you know.

So, in distributive bargaining one party is always the winner at the expense of the other which is the loser. So, it is a very short term solution and breeds future conflict. For example bonus; the management and the union negotiate over the amount of bonus that must be given.
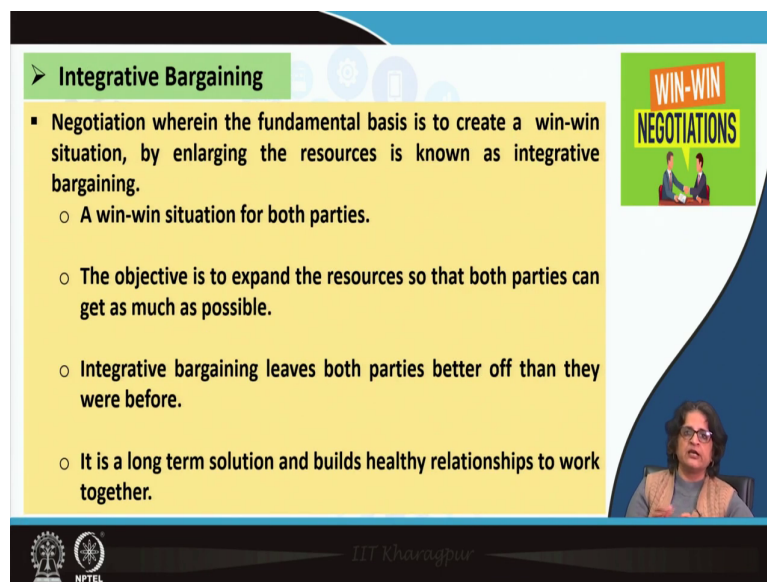
The union wants the maximum the management wants to give the least possible. So, this kind of a situation where the management would win at the you know if it gives lesser bonus to the

to the employees you know what happens is that the management wins at the expense of the of the union.

Similarly, it may be a state where the union is able to bargain and you know get a larger percentages as bonus. So, in that case it is a management which loses at the expense of the union. So, this kind of a situation where you fit, where you divide the resources the fixed pie is known as a distributive bargaining of one party wins at the expense of the other. Very short terms perspective leads to future conflict and we call it distributive bargaining.

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The integrative bargaining is where it is a win-win situation for both parties. So, negotiation where the fundamental basis is to create a win-win situation by expanding the pie or by enlarging the pie or by increasing the resources is known as integrative bargaining.

And the objective is to expand the resources. So, that both parties get maximum as much as possible. At least both the party is better off it is a long term solution and it builds healthy relationship you know for between people and between groups who work together.

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So, integrative bargaining is always desirable it is always preferred as compared to the distributive bargaining because it makes both the parties feel better off at the end of the day. So, integrative is always and always desirable always preferred compared to the distributive because both parties win-win and it is to long term relationship.

However, integrative bargaining is not always possible because of the fact that resources in organizations will always be scarce and always be limited.
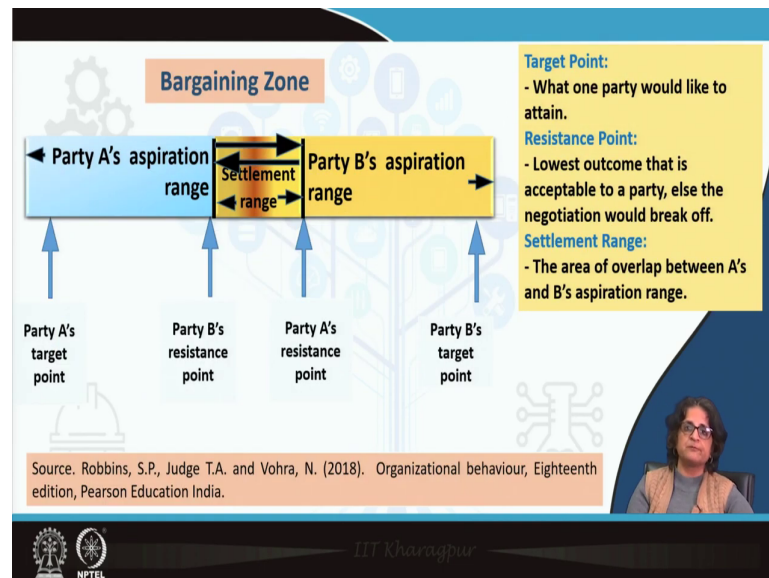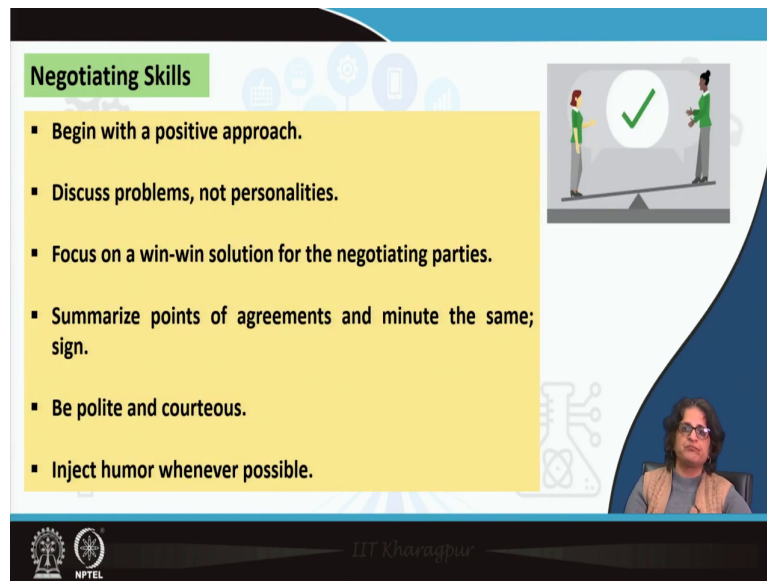
So, this is what happens in a in a negotiation if you can see that you have party A and party B. So, party A is you know would like to get maximum and party B would also like to get the maximum and they have a settlement range. So, target point is what one party would like to attain ok and settle and the resistance point is the lowest outcome that is acceptable to a party otherwise the negotiation would break off.

And the settlement range is the overlap between A and B's aspiration range. So, A wants to get maximum B wants to get maximum that is the aspiration the overlap is what is the settlement range and negotiation happens with over this range. Ok.
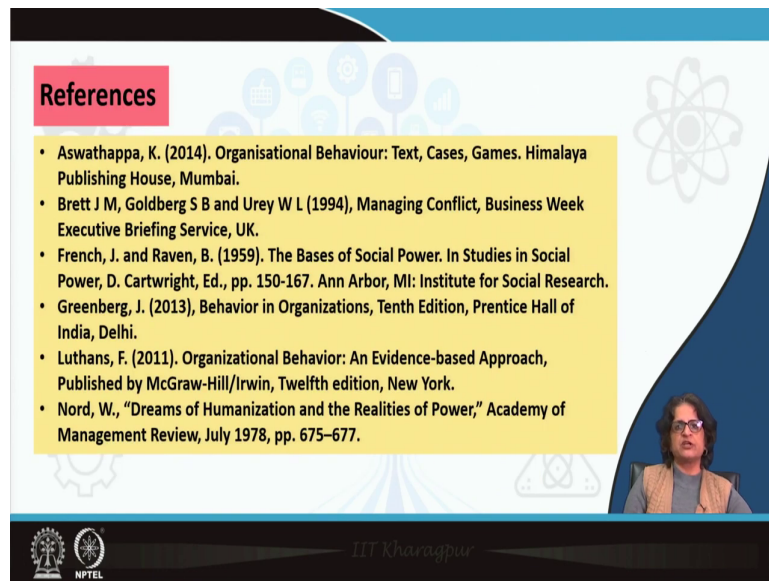
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Finally, we come to the negotiation skills when two parties sit together to resolve the dispute and to negotiate it is important that they begin with a positive approach, what they should discuss is not the personality or the person. But the problem they should focus on a win-win situation for both the parties you know as and when there is there seems to be tension during discussion it is best to inject humor, be very polite, be very courteous and once the negotiation is done summarize the points of agreements and minute them and sign them.
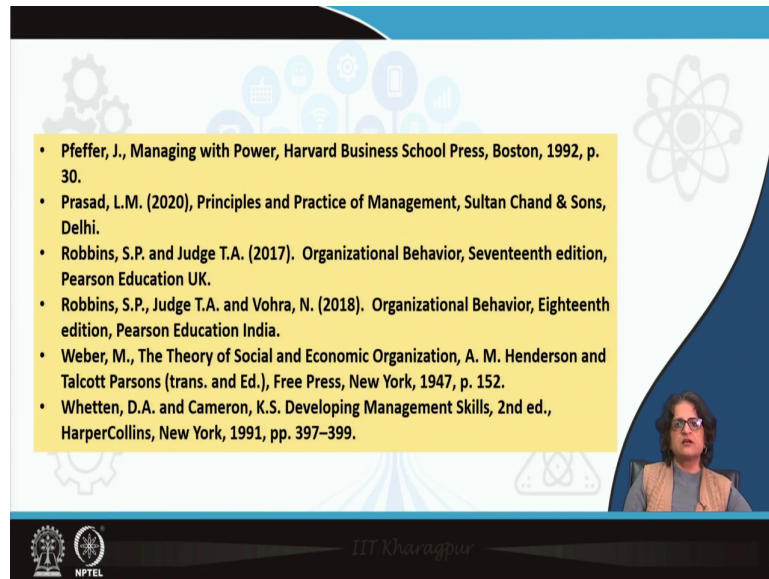
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With this I come to an end of the lecture.

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These are the references.

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We shall continue with the topic in the next lecture.

Thank you.