

the advantages and draw-
backs of a leader?

What is "effective"? For
what measure
did or not the group was

To be effective, a leader
must assess the situation and choose the
best approach. You have just taken a posi-
tion working on semiconductor
technology. Which theories discussed in

ask
to make in light of the

think of as outstandingly
effective from a variety of contexts:
athletic, artistic, personal,
business. All your examples have in
common (are effective)? What does
"great leaders are born,"

often advertise themselves
as effective. This seems to imply
that the context will work as well
as possible. Is this a well-founded claim?

Chapter 8

Conflict and Conflict Resolution

MAJOR TOPICS

- The Nature of Conflict
- The Causes of Conflict
- Conflict Reduction
- Conflict Behavior
 - Conceptualizing the Conflict
 - Interactions
- Third Party Interventions
- The Positive Side of Conflict
- Summary

How do you feel when you find yourself in situations like these?

Your roommate insists on playing the stereo late at night when you really want to get a good night's rest for an important quiz tomorrow.

Your quiz comes back with a grade of "C," although you thought you had done pretty well on it. When you check it, you realize that you read one of the key questions in a different way than the instructor did. The wording of the questions seems genuinely ambiguous to you, but the instructor disagrees.

Your date seems eager to see the basketball game, but you have your heart set on going to the jazz concert scheduled for the same evening. You don't know each other very well and, after a polite but terribly confusing discussion, you end up going out for pizza—which neither of you much likes, as it happens!

Early in your first job, your boss assigns you to work on a small but interesting technical problem, and gives you some strong suggestions as to how you should go about it. You happen to know a fair amount about the area, and are pretty sure that you could solve the problem much better using a different approach. But it is your first job, and you really want to get off to a good start with the boss.

For most of us, situations like these are uncomfortable, sometimes even seriously distressing. They each involve an element of "conflict" with another person, and we tend to think of conflict as something undesirable in our relationships. As a result, we tend to suppress it, to pretend that it is not happening.

The basketball-game-versus-jazz-concert example above suggests that suppressing conflict may not be a good way to deal with it. In the short run, neither you nor your date did what you wanted, and, one would guess, each person's unspoken resentment may get in the way of the later development of your relationship. Similarly, in the roommate example, your frustration about losing an important night's sleep may leave you looking for a way to get even later. If this goes on for long, you may both find yourselves looking for new roommates.

This chapter is not going to compete with "Dear Abby" in offering advice on dealing with disagreements with dates and roommates. The examples *do* suggest that "conflict" of one sort or another is a normal part of our everyday lives, neither good nor bad necessarily, but something we need to acknowledge and deal with. Our focus, of course, will be on conflict processes in organizational life. We will be concerned with questions like:

- What are the characteristics of a conflict situation?
- What factors tend to contribute to the occurrence of conflicts?

- What alternative ways of dealing with conflict exist?
- What are the consequences of dealing with conflicts in these different ways?

THE NATURE OF CONFLICT

In a general sense, we use the term "conflict" for situations in which we see some other individual or group as frustrating or being in the way of our (or our group) doing what we want. This definition covers a very wide range of situations, from the global to the personal. At the global level, there is a conflict between OPEC and the oil-consuming nations of the world: OPEC wants higher oil prices, the oil users want cheap oil, so their interests are in conflict. At the personal level, we could stretch the definition to cover the conflicts we feel inside ourselves; the "serious student" side of us wants to study for tomorrow's quiz, the "hell raiser" side of us wants to go out and party. We experience a conflict between the two parts of our personality.

One way to categorize conflict situations is in terms of what "actors" (individuals or groups) we are considering, and whether the conflict is within or between such actors:

Actors	Conflict within	Conflict between
Individual	Intrapersonal	Interpersonal
Group	Intragroup	Intergroup
Organization	Intraorganizational	Interorganizational
Nation	Intranational	International

We can generally think of a particular conflict as being *between* actors at one level, or *within* actors at the next higher level: interpersonal conflict (between two people) can often be viewed as intragroup conflict (within a group); intergroup conflict (between two groups) may well be intraorganizational (if both groups belong to the same organization). It is useful to keep this double perspective in mind when analyzing a given conflict situation, since it may suggest ideas for how the conflict can be managed. For example, seeing a conflict as *between* two departments of an organization focuses attention on the differences in their interests. Seeing the same conflict as *within* a single organization draws attention to their shared interests, such as the survival of the organization!

Notice also that our definition of conflict treats it in terms of the *perceptions* of the two parties, not in terms of any objective reality. In

one sense, this is just a reminder of the important point that if people believe that something is real, their behavior will be shaped by it. In another sense, this is a reminder to check out whether or not there really is a conflict. Perhaps it is all a misunderstanding: your roommate thinks you would like some background music while you study, and is sacrificing his sleep, too. Or maybe he would be as happy listening on headphones, so that his interests and yours, while different, can both be achieved. Not all conflicts disappear when we check them out, but some do. It is worth keeping in mind that conflict behavior follows from a belief, not necessarily a reality, that one person or group is frustrating the other's interests.

An interesting implication of this perceptual view of conflict is that we often misjudge the amount or kind of conflict in a particular situation. We tend to think of conflict situations in win-lose terms: I win what you lose, and vice versa. This is true of simple games and bargains, but is often not true of more complex situations. For example, in dividing up a piece of work with a lab partner, you may both be trying to minimize your own inconvenience and effort, but there is no reason to assume that the same things are inconvenient or difficult for both of you. Perhaps one is better at wiring up the equipment, while the other is good at data analysis; perhaps one likes working in single long sessions, while the other prefers regular short sessions. Given these differences, it would not be efficient for the two of you to split fifty-fifty on everything—you would both be better off with a different deal. However, the preferred split may not be obvious to either of you since, as we noted in Chapter 2 on decision making, we are not very good at understanding which parts of a complex package really affect our overall evaluation of the package. Straight bargaining issue-by-issue might well seem like a sensible procedure, but would most likely get you to the undesirable fifty-fifty split.

Kenneth Hammond and his colleagues at the University of Colorado have explored such conflicts with the aid of computer-interactive graphics (Hammond, 1971). They try to separate conflict due to misunderstanding of the situation and of each other (which they call "cognitive conflict") from the more familiar conflict caused by having to split one thing that both parties want ("motivational conflict"). They have found that conflicts between, say, environmentalists and hydro engineers over particular water projects can be sharply reduced if each party understands his own and the other's weighting for different aspects of the projects considered. One party may not mind giving up Feature A, while the other really wants to eliminate it. Finding a design that eliminates this feature thus makes one party much better off, and the other only a little worse off (see Flack and Summers, 1971). Hammond's computer technology aims to find the areas where assym-

metrical tradeoffs are possible, so that each party ends up relatively well satisfied. This cannot work in every area, but in a number of instances, Hammond has been able to reduce overall conflict considerably by clearing up the "cognitive conflict" elements. Essentially, what he seeks to do, and what traditional negotiators try to do, is to transform situations that the parties consider fixed or zero-sum games into positive sum games. That is, they change situations where one wins what the other loses into ones where both parties come out better off. We shall consider further examples of this later in the chapter when we look at bargaining and negotiation processes.

In summary, the main points we have considered thus far are:

1. Conflict is a normal, everyday occurrence, not inherently good or bad.
2. Conflict is found within and between all levels, from individuals to whole nations.
3. The central element of conflict is that at least one of the parties involved believes that the other is frustrating the first party's interests.
4. This belief does not have to be well founded for conflict behavior to occur.
5. We tend to think of conflict in win-lose terms, although it may well be possible to discover win-win solutions.
6. Such discovery may be helped by a developing computer-based technology aimed at clarifying the areas of misunderstanding (or cognitive conflict), and narrowing the areas of real conflict of interest (or motivational conflict).

We now turn to an examination of some factors that lead to conflict.

THE CAUSES OF CONFLICT

Robinson Crusoe living alone on his desert island experienced no work-related conflict—except, perhaps, the intrapersonal kind. We need some other person or group around for a conflict to arise. Further, the potential for conflict requires that our work be in some way coordinated with another's. There is little cause for conflict between two researchers who simply share the same lab space, working on different projects, unless they have to share the same equipment. The first requirement for a conflict to arise, then, is that at least one of the parties feels a need for joint decision making with another (March and Simon, 1958).

One group of factors that set up potential conflict situations thus relates to the need for joint decision making. Major examples include:

Joint dependence on a scarce resource. If two units need to use a particular piece of equipment (a computer, a wind tunnel) or service (a typing pool, a programming service) and the shared resource is in short supply, they need to make joint decisions on matters like priorities and schedules. A potential conflict arises. The commonest example of a shared organizational resource is money; shared dependence on a limited budget sets up the classic conflict situation. (Incidentally, the scarcity, not just the sharedness, of the resource is critical. Conflicts of this sort are likely to increase after cutbacks, or when the shared resource has not expanded in step with the needs of the users.)

Task interdependence. The basic idea of an organization is to break up large jobs into smaller ones, so that each can be worked on by specialists. This in turn implies that coordination will be required to pull the small tasks back together, and this coordination requires joint decision making. In a manufacturing operation, for example, each department must complete its part of the work before departments later in the sequence can start theirs. One department may require parts and materials, assistance, or information from other departments in order to get its work done.

An important aspect of this interdependence is whether or not it is reciprocal (Walton and Dutton, 1969). If the interdependence amounts to a two-way street, with each party about equally dependent on the other, there is a built-in incentive to iron out any disagreements. However, if the interdependence is asymmetrical, problems arise. In relationships between line and staff departments for example, the staff group is dependent on the line people for information about operating problems, for cooperation, and for a chance to try out new ideas. The line group, on the other hand, can refuse to give this cooperation and, at least in the short term, be no worse off. (In fact, the line group may be better off in the short run, since the new ideas proposed by the staff group will often be disruptive initially.) This asymmetrical interdependence can generate problems in the necessary joint decision making between the two groups.

Another important asymmetry comes from differences in organizational power or prestige. For example, adequate patient care in a hospital clearly requires cooperation between doctors and nurses. However, the doctors have vastly more power and prestige, and tend to dominate joint decision making. The nurses' legitimate needs for cooperation can easily be neglected, leading both to poorer patient care and resentful nurses. Similar asymmetries arise in many settings where the

cooperating parties differ in power or prestige. Some examples are the relationships between professionals and support technicians in research labs, between engineering and sales departments in manufacturing firms, between secretaries and bosses in almost every context. It is worth recalling the strategies noted earlier in Chapter 6 on power, by which those on the short end can even the balance. The lab assistant who does *exactly* what (s)he is told can ruin the researcher's experiment just as surely as one who disobeys flagrantly—but is much harder to punish. Such strategies shift the task interdependence back toward symmetry, and force the joint decision making to be genuinely shared.

Organizational level. March and Simon (1958) have speculated that the felt need for joint decision making increases as one goes up the organization. They argue that departments are formed primarily because a cluster of activities is seen as needing coordination, which is typically achieved by placing the clusters under a single manager. This manager tends to see the activities under his or her control as in need of careful coordination. Therefore, the department itself is seen as more self-contained and in less need of coordination with other departments. The higher one goes in the organization, the more activities fall under each manager's jurisdiction and thus the more each sees a need for joint decision making. This argument makes sense, but I know of no clear empirical data showing that the phenomenon is widespread.

The three factors—joint dependence on scarce resources, task interdependence, and, perhaps, organizational level—lead to a perceived need for joint decision making between organizational units, and thus set the scene for possible conflicts. However, conflicts will not arise unless one of two further conditions is present: either the parties must be pursuing different interests and goals, or, if they share goals, they must have different solutions in mind.

In the nonexistent totally rational organization, neither of these conditions can arise. The overall organizational goal—for example, maximizing profit—is broken down into clear operational objectives for each department and each individual, and incentives are arranged so that each individual acts to achieve his or her subobjective. Joint decision making is then merely a matter of rational problem solving. The best schedule for use of the shared facility, for example, is jointly settled by working out which will best serve the overall objective. Rationality prevails.

In real life, organizations rarely work this way. The linkages between overall organizational goals, departmental objectives, and personal targets (for which we are rewarded) are often quite loose. Our efforts are much more likely to be focused on the latter than on the former. The head of the production department and the head of the sales depart-

ment may both nod politely at the general idea that they share the goal of maximizing the profits of their employer, XYZ Corporation. But their behaviors are much more likely to be shaped by the specific objectives set for their two departments, which they need to achieve to earn their annual bonuses and enhance their chances for promotion.

These differences in real, operational objectives are likely to go hand in hand with differences in the way problems are perceived. Earlier (in Chapter 3), we saw that executives with different professional backgrounds saw different problems in the same factual description of an organizational case history. Mr. P, the production head, is likely to analyze the setting of a production schedule for next month in terms of its impacts on his department. Will the machines need resetting constantly, or can he set them to produce a given product and let them run? Will he be reassigning people all the time or have them working steadily at their best jobs? Will he be able to produce equal numbers of Part A and Part B, since B can be cut from the leftover sheets from making Part A? Setting up a good production schedule is a difficult job, and Mr. P considers himself good at it. Basically what he would like is to produce efficiently, and have the sales department get organized and sell what he makes.

Ms. S, the head of sales, does not see the world quite the same way. She knows that what keeps the customers coming back is that they can get the products they want, made exactly to their specifications, and delivered quickly. Good customers are hard to find, and it just takes one disappointment to lose them, sometimes for good. She doesn't understand why Mr. P has so much trouble producing the items her customers want. At least all his problems are inside one shop, and all his people are employees, while she has to travel all over the country and persuade, not order, the people she works with. In her ideal world, the sales department would set the production schedule and the production department would then go about making what had been promised. What could be simpler?

As the example suggests, it is not only the need for joint decision making (here, task interdependence, reflected in having to agree on a production schedule) that sets up the conflict situation. The two departments are also working toward different operational objectives, and they approach their joint decision making task with different definitions of what the central problem really is. Given the need for joint decision making, either goal differences or different problem definitions would be sufficient to produce conflict. Here both factors are operating, and conflict seems likely. We shall examine the form it might take, and its possible consequences, in the next section. First, however, we shall look briefly at a number of organizational devices that reduce conflict before it starts.

CONFLICT REDUCTION

The essence of the previous section was that conflict is likely when two parties feel that they have to make a decision jointly, but approach the decision either with different goals or with different definitions of the shared problem. The converse is that conflict is less likely when one or more of these elements are missing. Organizations have evolved a number of devices for eliminating or reducing the causal factors. For example:

Buffer inventories. Establishing a buffer stock between two sequentially interdependent departments allows the two to operate more independently of one another. The attractiveness of this approach depends on factors such as cost and perishability of the items stored.

Loosened schedules. Scheduling conflicts increase rapidly as schedules become tighter. Allowing a little slack, while costly, may be worth it in terms of reduced conflict.

Transfer pricing. Some organizations set up internal price arrangements, with supplying departments selling their outputs to using departments. Such schemes can be costly to set up, but they decouple departments that otherwise would have to spend effort coordinating their activities.

Reduced common-resource dependence. Conflicts associated with shared use of a common resource, such as a secretarial pool, a computer, or an item of research equipment, can be eased simply by giving each user department its own "dedicated" resource. Again, the duplication of similar equipment or activities may be costly, but so are extended conflicts.

Personnel transfer. Conflicts stemming from strong personal identification with one department's problems and goals can be eased by exchanging or rotating people among departments. If successful, this produces a better understanding in each department of the other's problems and goals, and builds up a network of contacts between the departments.

Physical location. Locating potentially conflicting groups physically close to one another may help establish the easy informal relationships between the two that facilitate conflict reduction. Alternatively, moving them well apart may help to keep them out of each other's hair. I suspect that part of the motivation for putting corporate R&D groups in some remote location away from manufacturing facilities is to keep them from continually meddling in production processes.

Sequential goal focus. Part of the goal conflict discussed above comes from the fact that each party involved has several different goals, or the same goals differently weighted. Cyert and March (1963) suggest that organizations reduce multiple-goal conflicts by attending to goals sequentially. One month the emphasis is on product quality and everyone focuses on this goal, putting other goals on the back burner. Later the emphasis shifts, perhaps to cost reduction or innovation. This strategy has the effect of simplifying complex goal structures (if only temporarily), making agreements easier to reach.

Budgetary procedures. Conflicts between departments over budget allocations are central to most organizations. Pondy (1967) has noted a number of common procedures that ease conflict in this area. For example, budget categories such as "cost reduction," "safety," and "expansion" tend to localize disagreements, because a given proposal is in competition with only a subset of the other proposals. Within categories, projects tend to be ranked only partially, with some of those not currently funded assigned into long-run plans (and thus up for reconsideration later). Such procedures tend to reduce the sharpness of straight head-to-head competition between all proposals, and perhaps ease the resentment of the losers.

Note that each of these devices represents a partial retreat from the aim of running the organization as the tightest possible ship, minimizing costs, scheduling as tightly as possible, or using every resource to the fullest. They represent what is referred to as "organizational slack." The examples suggest that "slack" is not at all the same thing as "waste." Slack buys a reduction of conflict, and may be money well spent!

CONFLICT BEHAVIOR

Despite the existence of conflict-reducing devices, some degree of conflict is a normal (indeed, a desirable) feature of organizational life. In this section we shall examine some important aspects of what conflicting parties actually do, and the consequences flowing from their behaviors.

Pondy (1967) suggests that, to understand conflict behavior, we need to consider the entire "conflict episode." The conflict episode runs from the causes of one party frustrating the other through their coming to *conceptualize* the conflict, their *interactions*, and the *outcomes* of the conflict, both *direct* (how the issue was resolved) and *indirect* (the aftermath of this particular episode, and how it affects later conflicts). We shall discuss each of these elements separately here while bearing in mind that in practice each interacts with and shapes the others.

Conceptualizing the Conflict

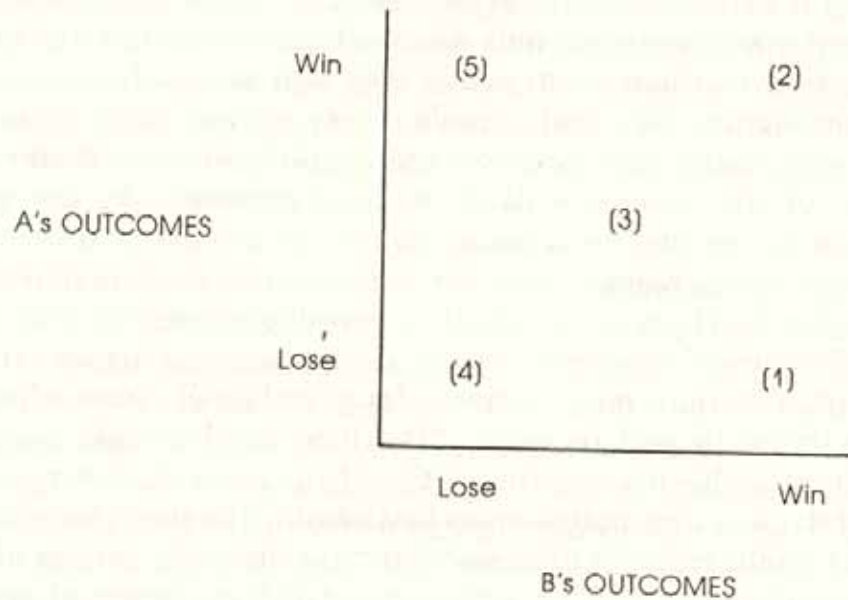
The simplest, though rarely the most accurate, way to think about a conflict is to assume that the parties understand the issues in the same way and are disagreeing only about who is to win and who is to lose (or where between these two points they will settle). In fact, as we have seen throughout this book, people rarely see any given issue in just the same way. Under conditions of conflict, differences in their conceptualization of the issue are likely to be sharpened. As the production-versus-sales example suggests, the parties are likely to see the issue in different ways. Even if they are cooperative, each is likely to phrase the matter as "How can I help the other department without sacrificing the efficiency of my department?" If relationships are less friendly, the conceptualizations may be more along the line of "Now what are those idiots trying to pull on me?" "It's time those people learned who's important in this organization." Or, "Now's our chance to get them for that dirty deal they pulled on us last month." Each of these conceptualizations might refer to the same joint decision, the setting of a production schedule, but they strongly suggest different ways of getting there.

The parties' conceptualizations of the conflict thus include the ideas of each as to what issues are at stake. They also include an understanding of what alternative actions are available, and what will be the consequences of each alternative for each party. The win-lose orientation implies that whatever is better for one party is worse for the other. This is not the only possibility. It may be possible to devise alternatives that are desirable for both; and it is nearly always possible to find an alternative that will damage the other, if we do not mind damaging ourselves in the process.

It is useful here to expand our thinking from the single dimension implied by win-lose into two dimensions defined by the gains and losses of each party, as shown in Figure 8.1. Here the win-lose dimension is the diagonal running from Point 1 (B wins, A loses) to Point 5 (A wins, B loses), with Point 3 representing a compromise between the two. One merit of this way of thinking is that it reminds us that we may have overlooked alternatives near Point 2 (where both parties gain) and we may be considering alternatives near Point 4 (where everyone loses).

Another use of Figure 8.1 is to describe the process of reaching a settlement of the conflict. Thomas (1976) suggests the label "distributive" for the diagonal running from 1 to 5, in that outcomes along this line define how the gains are to be distributed between the two parties. The other diagonal, running from 4 to 2, he refers to as the "integrative" dimension, in that it reflects the degree to which the solution achieved satisfies the concerns of both parties. The former reflects how the "pie" is to be divided, and the latter reflects how large the "pie" is.

Figure 8.1. Possible Outcomes of a Two-Party Conflict



Suggesting that win-win solutions like Point 2 *may* exist is not the same as claiming that they always do, or that the parties will be able to find them. Indeed, some classes of conflict processes (known as "Richardson processes," after the scholar who first gave a detailed analysis of them: Richardson, 1960) have the disturbing property of driving the participants in the direction of Point 4. International arms races may be of this sort. Starting at a neutral point such as 3, if one party tries to get ahead (for example, A makes a move in the direction of Point 5), B reacts with a move in the direction of Point 1, and the joint outcome moves toward the even but ruinous solution represented by Point 4. Similar "escalations" are possible in organizations, for example, when two departments try to get ahead of each other by withholding cooperation, triggering destructive counterattacks, and so on until most of their energies are spent trying to do the other in, rather than advancing their own interests. We shall have more to say on such processes when we discuss the dynamics of conflict.

Interactions

The parties are likely to approach the conflict with somewhat different understandings of what is at stake, and what ranges of possible outcomes are possible. We will assume that each sees important stakes involved, so that joint outcomes are likely to fall in the top right-hand quadrant of Figure 8.1. The crucial question is now where, within this range of joint outcomes, will the conflict get resolved? The way the two

parties interact will clearly have an important influence on this outcome.

An important influence on the form of this interaction is the orientation the two parties bring to it. If both start with a competitive, hard-bargaining orientation, a compromise solution is the best that can be hoped for. Conversely, if both approach the matter with a problem-solving, collaborative orientation, an outcome satisfactory to each is more likely to be found. Unfortunately, as we shall see below, there is evidence that a bargaining orientation tends to drive out a problem-solving approach. Therefore, if either party starts with a bargaining orientation, the other is likely to be dragged down to the same level.

In a bargaining approach, each party's tactics are shaped by the power base (s)he has available. Recall the five types of power base suggested by French and Raven (1959): reward, coercive, legitimate, referent, and expert (see Chapter 6). The first two suggest such bargaining tactics as offering inducements (e.g., personal rewards or concessions on other issues) if the other party accepts one's position, or threatening punishments if (s)he does not. Legitimate power involves appealing to formal rules, contract terms, or simply "pulling rank" to induce the other to comply. Referent power can be used in bargaining to the extent that one party is personally attracted to the other, and may be particularly important in the informal negotiations by which many conflicts get settled. Finally, expert power can be used tactically if one party has inside knowledge or skills which the other does not. If I am bargaining with a technician about equipment scheduling, I am at a disadvantage if the technician knows the detailed maintenance needs of the machine and I do not. (Note that these power bases tend to shrink as the bargaining gets tougher. Personal attraction and trust in the other's expertise are likely to disappear; legitimate power is reduced to the extent that it is denied by either party; and rewards and coercion are reduced to their crudest form, as in shows of strength between unions and management.)

The problem-solving approach that allows collaborative solutions to be found is in sharp contrast to the bargaining approach. In problem solving the two parties need to exchange accurate information, both about the objectives they are pursuing and about the alternatives they are considering to achieve them. This requires a high level of trust between the two—trust that the other will give accurate factual information and not exploit the information given for a bargaining advantage. No one puts his or her own cards on the table unless the other player does so, too.

We have suggested that a bargaining mode of conflict resolution tends to drive out problem solving, despite the potentially higher pay-offs to both parties of problem solving. Let us examine some of the

dynamics by which this comes about, so that we can better see what is required to stop it happening.

Self-fulfilling prophecies. Although the parties may approach a conflict with some predispositions, the situation is significantly defined by their initial interaction. If, for example, one party starts off by making an obviously extreme demand, the other is likely to react with an extreme opposite demand, and the situation becomes one of bargaining. An initial problem-solving approach is more precarious, because the other party may treat it as an opportunity for a bargaining advantage, forcing the first party to take a similar approach.

Escalation. Once an adversarial, hostile negotiation is under way, the issues involved tend to escalate; more issues are drawn into the bargaining, larger stakes are involved, hostility increases, and trust disappears. This escalation process makes issues harder to resolve, while simultaneously making the solution process itself more difficult.

Cognitive simplification. Under stress, people tend to think in simplified, black-and-white terms, to consider fewer alternatives, and to focus on fewer criteria. Therefore, to the extent that conflict is experienced as stressful, flexible, and creative, subtle, thinking is driven out and satisfactory solutions become more difficult to reach.

Communication breakdowns. As the conflict accelerates down this slippery slope, communication between the two parties may break down entirely. They become increasingly hostile to one another, trust diminishes, understanding of the other's point of view becomes vague, and personal animosity increases. Blake and Mouton (1961a) report an interesting experiment bearing on such breakdown. They asked the members of problem-solving groups that had been in competition to summarize, as objectively as they could, all the solutions the groups had generated to their problems. The experimenters found that group members had a much better comprehension of the solutions produced by their own groups than of those produced by their opponents. This was not simply because members were more familiar with their own group's ideas. They had ample opportunity to study all the ideas and rated their understanding of them as equal. Further, they had no awareness that they were distorting their opponents' positions and ideas. This suggests that communication breakdown can occur without either party being aware of it.

Representation. When a conflict involves large groups, it is common to have the negotiations conducted by representatives of each side,

rather than by the entire membership. Apart from reducing the number of people whose time is taken up, this tactic might allow a reasonable settlement to be found away from the public eye by experienced, level-headed people from each side. However, the tactic may backfire. The negotiators have two duties: to find a solution acceptable to both sides, and then to sell that solution to their own side. This second duty sets up pressures for the representatives to hold on to strong positions favorable to their groups because they do not want to look as if they have sold out to the opposition, or have been deceived or outmaneuvered. Another study by Blake and Mouton (1961b) demonstrated this "loyalty" effect. Elected representatives from groups that had been in competition were asked to rate, as objectively as possible, all the solutions that had been proposed by either side. Virtually all of them stayed loyal to their own group's position, even when doing so led to deadlock. Outside judges, however, had little difficulty in picking a clear-cut preferred solution. In fact, a negotiator has two settlements to make, one with the opponents, the other with his or her own group. It should not be too surprising that the latter interest often predominates.

What all this suggests, then, is that problem solving involves a rather precarious balance, which, once tipped, can easily degenerate first into bargaining and then into deadlock. What can be done to stop or reverse this degeneration?

THIRD PARTY INTERVENTIONS

If the parties are aware of the dynamic forces that have been sketched above, they may be able to stop the conflict from degenerating into a deadlock. However, these forces seem to be strong, particularly when the stakes are important to both sides. In such cases, third parties—outsiders not directly involved in the focal conflict—may be able to help. Various individuals can serve in this role: a respected colleague can help end a dispute between two individuals; a senior manager may be able to resolve a conflict between two lower-level department heads; a professional mediator can work to compromise and resolve a deadlocked negotiation between union and management.

We may distinguish among three roles an outsider can play, ranging from less to more formal (see Kochan, 1980):

The mediator. A mediator is a neutral third party who works informally to try to bring the disputing parties to a settlement. The mediator has no real power other than the trust and respect of the parties involved. The mediator's main value is in keeping the lines of communi-

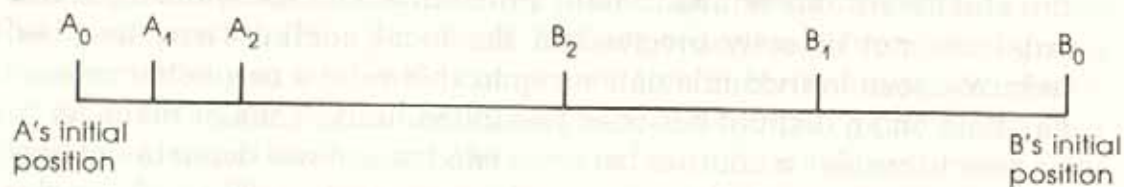
cation open between the parties, helping to focus on and clarify the issues, sometimes suggesting integrative, problem-solving solutions. Successful mediation seems to be more of an art than a science, and experienced mediators may operate in many varied ways, ranging from just being helpful listeners and clarifiers to actively proposing possible substantive settlements.

The factfinder. Factfinding is a rather more formal role than mediation, but it still does not involve the power to impose settlements. In collective bargaining, the factfinder typically holds hearings and makes formal, written recommendations on how the dispute should be settled. However, the parties involved are not required to abide by this suggestion, but may use, modify, or even ignore the recommendations.

The arbitrator. In arbitration, the most formal and the most powerful of the three outsider roles, the neutral party both decides and imposes a settlement on the disputing parties. In formal collective bargaining, arbitration may be either *voluntary* (the two parties agree to be bound by the arbitrator's decision) or *compulsory* (the arbitrator's decision is legally binding). In less structured settings, such as two department heads taking a dispute to their joint superior, the third party's decision is likely to be essentially binding, simply because of the relative power of the parties involved.

An alternative to conventional arbitration, known as "final offer" arbitration, has recently attracted widespread interest. The procedure can be best explained by referring to the "bargaining zone" model of negotiation, shown in Figure 8.2 (Walton and McKersie, 1965):

Figure 8.2. A "Bargaining Zone" Model of Negotiation



(Note that this is essentially a one-dimensional rendering of the two-dimensional outcome space of Figure 8.1 discussed earlier, and thus ignores the possibility that more satisfactory points may be found. We are here discussing only the "distributive" dimension.)

The "bargaining zone" model pictures the disputants as making a series of offers to one another, starting with their initial positions (A_0 , B_0). It is assumed that each party becomes less satisfied with offers

further from its own initial position. Each has a "target point" offer, which it regards as a desirable point at which to settle, and a more distant compromise point, its "resistance point," beyond which further compromise will be made reluctantly or not at all. If these "resistance points" are sufficiently far from each party's initial position that an overlap can be found, a "positive contract zone" is said to exist. In this instance there is a range of settlements acceptable to each party, and bargaining focuses on where within this zone the settlement will be made. If no such overlap exists, the parties have a "negative contract zone," and alternative ways must be found of resolving the dispute.

Now, suppose that an arbitrator were called in to resolve the dispute represented in Figure 8.2, where the two parties have bargained to the offers (A_2 , B_2) and reached a stalemate. The arbitrator's tendency is obviously to try to find a settlement somewhere between A_2 and B_2 , which, in this case, will likely result in a settlement closer to A_0 than to B_0 , since B has moved more rapidly than has A. Notice the incentive system this sets up for the two parties. Anticipating conventional arbitration of this sort, each has an incentive to make a very strong initial demand or offer, and then to give ground very slowly. This makes a stalemate probable, and leaves the arbitrator with a very large gap to attempt to reconcile. In short, the prospect of conventional arbitration provides the parties with an incentive not to settle, and to adopt very tough negotiating tactics.

"Final offer" arbitration overcomes this incentive system in an interesting way. In contrast to conventional arbitration, the neutral party is not allowed to impose any "split-the-difference" solutions, but must select one or the other of the parties' final offers—either A_2 or B_2 in Figure 8.2, but not somewhere between. Under this arrangement, each party aims to be marginally closer than its opponent to the point the arbitrator will regard as reasonable. This sets up a powerful incentive for the parties to negotiate in good faith, and raises the probability that they will reach a settlement on their own, instead of resorting to arbitration. If, for example, B made no movement from its initial position, then A would win the whole ball game by offering only a mild concession. Since both parties understand this, each tries to outmaneuver the other by being more reasonable—which is exactly what successful negotiation is about! Studies of negotiation behavior both in the lab (Notz and Starke, 1978) and in the real world (Feuille, 1975) suggest that "final offer" arbitration does, in fact, lead to these desirable outcomes.

Third parties can thus play a number of useful roles in resolving conflicts. They may be able to offset the mechanisms of escalation, growing hostility, cognitive simplification, and communication breakdown that drive out a problem-solving approach and force the parties

into adversary bargaining. Once the situation has become one of bargaining, third parties may be able to facilitate reaching a satisfactory settlement, by drawing on their interpersonal skills, the trust in which both parties hold them, or the power they may have to structure the negotiation process or to impose a settlement.

THE POSITIVE SIDE OF CONFLICT

Earlier in this chapter we hinted that some degree of conflict is not just a normal part of organizational life, but can even be desirable. We do not mean to suggest that an organization is healthy if every decision becomes the focus for bitter argument, if every personal relationship is shot through with suspicion and distrust, or if every action requires lengthy bargaining and negotiation. Such organizations may exist, but we do not expect them to do very well, or to last very long. At the same time, we should be suspicious of organizations in which none of these things happen. They may also be on the road to failure.

A balance needs to be found. Unfortunately, there is little solid research indicating just where the best balance is to be found for particular situations. We can at least suggest where some trade-offs have to be made:

Motivation. For most people a degree of competition or rivalry seems to be energizing; we try harder in games against a real opponent than when we are just practicing. However, few of us function well under intense, prolonged conflict; and it is all too easy to slide from trying to do well into trying to beat the other party. (Evidence on this point is discussed in Chapter 9.)

Innovation and adaptability. The emergence of a conflict can both signal that some change is needed and provide a mechanism for making the necessary change. For example, if the production department has always set the production schedule, and now finds itself in continual conflict with sales, it may signal that market conditions have shifted, and that some more formal joint planning needs to be done between the two departments. Note, again, that this process can go too far. Once the joint decision process is in place and formalized, it may itself become too rigid, and be an obstacle to further necessary change.

Communication. Conflict can open up communication channels, by requiring people who normally do not talk to one another to communicate in order to resolve the disputes. This increased communication

can improve the quality of the shared decisions. However, as we have seen, if the conflict escalates, communication tends to break down in concealment, suspicion, and hostility, perhaps to the point where there is less contact between the parties than before the conflict episode.

New mechanisms. As these examples suggest, conflict can lead to new organizational arrangements, such as joint planning groups or formal grievance procedures. Again, these may be mixed blessings. They may allow difficult disputes to be resolved effectively, but they may undercut the informal, face-to-face procedures that operated before. Consider, for example, the elaborate procedures set up at some universities for resolving grievances between faculty and students. These procedures provide the student with protection against arbitrary faculty decisions, but they also make it more likely that even minor disputes will be dealt with formally, with all the implicit drawbacks of delay, time wasting, public records, and distrust.

Challenging ideas. As we saw in the early chapters of this book, we all have habitual ways of thinking about problems, approaches we use so routinely that we are not even aware of them. Creative thinking requires us to challenge these assumptions and habits. Active argument with people who hold other views forces us to do that. Evan (1965), for example, found that at least some of the highly productive R&D groups he studied were characterized by more conflict over technical matters than were less productive groups. In a similar vein, Mason (1969) has proposed the use of a formal adversary procedure, rather like a law court, in developing long-range plans, with one party formally assigned to challenge the other's approach. Out of such a formalized conflict, he suggests, we can hope to develop a synthesis (or, in our terms, an integrative solution) superior to the views of either party alone.

SUMMARY

We have suggested that some level of conflict between individuals, between groups, and between organizations is both normal and useful. Conflict arises when one party perceives another to be frustrating some valued interest. The perception may or may not be well founded, and we should generally expect the parties involved to hold different perceptions of what the conflict is about.

Conflicts tend to arise when two parties must make a joint decision (as when they are jointly dependent on a common resource, or must coordinate their work), and when each approaches the joint decision

either with different goals or different solutions in mind. Conflict situations can be avoided by various devices aimed at weakening one or another of these factors: buffer inventories, loosened schedules, transfer prices, reduced resource interdependence, personnel transfer, physical location, sequential attention to goals, and budgetary procedures. Each of these devices reduces the probability of conflict, but at a cost to the organization.

Conflicts still arise, however, and we traced through some of the major aspects of the conflict episode from conceptualization to aftermath. The idea of a "joint outcome space" was used to suggest that conflicts are often not just win or lose (the "distributive" dimension), but may allow both parties to achieve (or fail to achieve) their goals (the "integrative" dimension). The interaction of the conflicting parties is shaped both by their orientation to the conflict and by the power base each has available.

An important feature of conflict interaction is that it can escalate; joint problem-solving approaches can be driven out by adversarial, hostile bargaining. Several mechanisms were discussed: tendencies for the expectations of each party to be forced on the other, with a bargaining orientation dominating; escalation of the issues involved; cognitive simplification; and communication breakdown. The pressures driving representatives of each side towards extremism were also noted. We concluded that joint problem solving, generally the preferred approach, tends to be driven out by bargaining.

Outside third parties can help to resolve conflicts by mediation, fact-finding, or arbitration. The "bargaining zone" model of negotiation was used to illustrate the difference between conventional and final offer arbitration. Finally, we reviewed a number of factors that make some level of conflict desirable in organizational life: its motivational impact, its role in innovation and adaptability, its effect in opening up communication channels and bringing new organizational mechanisms into being, and its role in stimulating creative thinking.

DISCUSSION QUESTIONS: CHAPTER 8

1. You conflict with a colleague over which of you will have access to a set of laboratory equipment to run some experiments. After a heated discussion you discover that both of you can run your experiments if you rearrange the schedules a little. Was the original conflict "cognitive" or "motivational"? Why is the difference important?
2. The conflict in Question 1 can be traced to the fact that you and your colleague are dependent on a shared, scarce resource (the

- equipment). Suggest two other factors that can increase the need for joint decision making, and thus increase the possibility of conflict.
3. Need for joint decision making sets up the possibility of conflict, but actual conflict will not emerge unless the two parties are either pursuing different goals or see different solutions. How might these two elements develop in the situation sketched in Question 1?
 4. Eight "conflict reduction" mechanisms—organizational devices that reduce the likelihood of conflicts arising—were identified in the chapter. Give an example of how each might be used to reduce the possibility of conflicts arising between faculty members in a university department.
 5. We tend to think of conflict outcomes in win-lose terms: what one party gains the other loses. Win-win and lose-lose outcomes are also possible. Give an example of each kind of outcome for (a) a barroom brawl and (b) a war between two countries. For each kind of conflict, describe how a "Richardson process" might drive the conflict toward the lose-lose outcome.
 6. Taking union-management negotiations as an example, show how each of the following processes might tend to drive out problem solving and make a bargaining orientation more likely:
 - a. Self-fulfilling prophecies
 - b. Escalation
 - c. Cognitive simplification
 - d. Communication breakdowns
 - e. RepresentationWhat roles might an outsider play in this process, and what might (s)he do to improve the situation?
 7. What is meant by "final offer arbitration," and how is it different from conventional arbitration?
 8. From the viewpoint of overall organizational effectiveness conflict is not invariably a bad thing. Give examples of five different functions that are served by a moderate level of conflict.