MODULE: 5
CONFLICT AND CHANGE

Conflict

Whenever two individuals opine in different ways, a conflict arises. In a layman's language conflict is nothing but a fight either between two individuals or among group members. No two individuals can think alike and there is definitely a difference in their thought process as well as their understanding. Disagreements among individuals lead to conflicts and fights. **Conflict arises whenever individuals have different values, opinions, needs, interests and are unable to find a middle way**.

Derived from the Latin 'conflictus', meaning: a prolonged battle, a struggle, or a clash. The definition of conflict as defined by a variety of scholars, depending on their areas of interest, can be divided into: affective conflicts and cognitive conflicts.

Robbins (1978) defines conflict as any opposition or interaction between two or more parties. Hoban (2005) defines conflict as a natural disagreement resulting from individuals or groups that differed in attitudes, beliefs, values or needs. It can also originate from past competitiveness and differences.

Types of conflict

There are several types of conflict which can affect both our social and working lives.

1. **Intrapersonal Conflict: -** The **intrapersonal conflict** is conflict experienced by a single individual, when his or her own goals, values or roles diverge. A lawyer may experience a conflict of values when he represents a defendant he knows to be guilty of the charges brought against him. A worker whose goal it is to earn her MBA might experience an intrapersonal conflict when she's offered a position that requires her to transfer to a different state. Or it might be a role conflict where a worker might have to choose between dinner with clients or dinner with family.

2. **Interpersonal Conflict: -** As you might guess, **interpersonal conflict** is conflict due to differences in goals, value, and styles between two or more people who are required to interact. As this type of conflict is between individuals, the conflicts can get very personal.

3. **Intragroup Conflict: -** Intragroup conflict is conflict within a group or team, where members conflict over goals or procedures. For instance, a board of directors may want to take a risk to launch a set of products on behalf of their organization, in spite of dissenting opinions among several members. Intragroup conflict takes place among them as they argue the pros and cons of taking such a risk.

4. **Intergroup Conflict: -** Intergroup conflict is when conflict between groups inside and outside an organization disagree on various issues. Conflict can also arise between two groups within the same organization, and that also would be considered intergroup conflict. Within those types of conflict, one can experience horizontal conflict, which is conflict with others that are at the same peer level as you, or vertical conflict, which is conflict with a manager or a subordinate.

5. **Conflict between individuals and groups:** This type of conflict occurs when an individual is pressured to conform to the wishes or standards set by the work group. If the individual resists, it can result in disruption to work or a break down in communications. Each member of a group is expected to behave in a way which is consistent with the group's activities. This can be either positive, in that an individual may be pressured to improve, or negative, in that, an individual may be pressured to sacrifice his or her

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high standards so that the overall standard of the group is maintained. An individual's status within the group also plays an important part in how he or she is expected to behave. For example, a new member of a 'level playing field' group would have a lower status and would be expected to play the role of 'newbie'. If he or she tried to dominate another in the group, then the group would collectively pressure the new person to conform.

6. **Conflict between individuals and the organisation:** The cause of this type of conflict is normally a clash of values. It can be an environment issue, a conflict of moral issues, a clash of objectives or a difference in needs. This type of conflict, as with the previous types, can be disruptive and result in both parties being delayed in achieving their goals. Individuals who have a conflict with their organisation will often seek out others within the organisation with similar views and form a formal or informal group. The group may then attempt to change the organisations practices or objectives, particularly if the issue is an environmental one. If this is unsuccessful, it can result in individuals leaving the organisation or simply being disruptive. The individual also has personal needs which he or she feels the organisation should meet, if this does not occur then he or she may subordinate the organisations objectives to suit his or her own needs.

7. **Conflict between organisations:** This type of conflict is generally restricted to the economic environment of organisations and is generally considered to be an indicator of competition. It can lead to improvements in products or development of new products. Because of this, it is seen as being functional. Governments institute law and regulations to control any adverse or dysfunctional effects which develop in the marketplace. The success of this type of conflict can be judged by the growth of the organisation. It can create unity within the organisation and provide a healthy air of competition if it is skilfully managed.

Some of the **characteristics** of this type of conflict are aggression, fixation and resignation.

➢ **Aggression** can be either physical or verbal, in which a person's character may be attacked. Fixation may cause a person to be stubborn or unreasonable.

➢ **Resignation** results in a person losing all hope of bettering his or her work conditions. In turn, conflict within an individual can influence the way in which he or she responds to other types of organisational conflict.

Organizational Culture

Wherever people work together, occasional conflict is inevitable. What sets one organization apart from another is how people respond to conflict when it does arise. Although disagreements take place between individuals, organizational culture can affect how often people argue, conflict resolution style and what most disagreements are about. While some conflict is productive, other types aren't. Manage your organization to encourage positive change through conflict resolution, and avoid fights that only produce division and frustration.

Managing Organizational Conflict

Conflict management techniques include changing organizational structures to avoid built-in conflict, changing team members, creating a common "enemy," using majority rules, and problem solving. Conflict management styles include accommodating others, avoiding the conflict, collaborating, competing, and compromising.

Ways to Manage Conflict

→ **Change the Structure**

When structure is a cause of dysfunctional conflict, structural change can be the solution to resolving the conflict. Consider this situation. Vanessa, the lead engineer in charge of new product development, has submitted her components list to Tom, the procurement officer, for purchasing. Tom, as usual, has rejected two of the key components, refusing the expenditure on the purchase. Vanessa is furious, saying, "Every time I give you a request to buy a new part, you fight me on it. Why can't you ever trust my judgment and honor my request?"

Tom counters, "You're always choosing the newest, leading-edge parts—they're hard to find and expensive to purchase. I'm supposed to keep costs down, and your requests always break my budget."

"But when you don't order the parts we need for a new product, you delay the whole project," Vanessa says.

Sharon, the business unit's vice president, hits upon a structural solution by stating, "From now on, both of you will be evaluated on the total cost and the overall performance of the product. You need to work together to keep component costs low while minimizing quality issues later on." If the conflict is at an intergroup level, such as between two departments, a structural solution could be to have those two departments report to the same executive, who could align their previously incompatible goals.

→ **Change the Composition of the Team**

If the conflict is between team members, the easiest solution may be to change the composition of the team, separating the personalities that were at odds. In instances in which conflict is attributed to the widely different styles, values, and preferences of a small number of members, replacing some of these members may resolve the problem. If that's not possible because everyone's skills are needed on the team and substitutes aren't available, consider a physical layout solution. Research has shown that when known antagonists are seated directly across from each other, the amount of conflict increases. However, when they are seated side by side, the conflict tends to decrease (Gordon et al., 1990).

→ **Create a Common Opposing Force**

Group conflict within an organization can be mitigated by focusing attention on a common enemy such as the competition. For example, two software groups may be vying against each other for marketing dollars, each wanting to maximize advertising money devoted to their product. But, by focusing attention on a competitor company, the groups may decide to work together to enhance the marketing effectiveness for the company as a whole. The "enemy" need not be another company—it could be a concept, such as a recession, that unites previously warring departments to save jobs during a downturn.

→ **Consider Majority Rule**

Sometimes a group conflict can be resolved through majority rule. That is, group members take a vote, and the idea with the most votes is the one that gets implemented. The majority rule approach can work if the participants feel that the procedure is fair. It is important to keep in mind that this strategy will become ineffective if used repeatedly with the same members typically winning. Moreover, the approach should be used sparingly. It should follow a healthy discussion of the issues and points of contention, not be a substitute for that discussion.

→ **Problem Solve**

Problem solving is a common approach to resolving conflict. In problem-solving mode, the individuals or groups in conflict are asked to focus on the problem, not on each other, and to uncover the root cause

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of the problem. This approach recognizes the rarity of one side being completely right and the other being completely wrong.

Conflict-Handling Styles

Individuals vary in the way that they handle conflicts. There are five common styles of handling conflicts. These styles can be mapped onto a grid that shows the varying degree of cooperation and assertiveness each style entails. Let us look at each in turn.

Avoidance: - The avoiding style is uncooperative and unassertive. People exhibiting this style seek to avoid conflict altogether by denying that it is there. They are prone to postponing any decisions in which a conflict may arise. People using this style may say things such as, "I don't really care if we work this out," or "I don't think there's any problem. I feel fine about how things are." Conflict avoidance may be habitual to some people because of personality traits such as the need for affiliation. While conflict avoidance may not be a significant problem if the issue at hand is trivial, it becomes a problem when individuals avoid confronting important issues because of a dislike for conflict or a perceived inability to handle the other party's reactions.
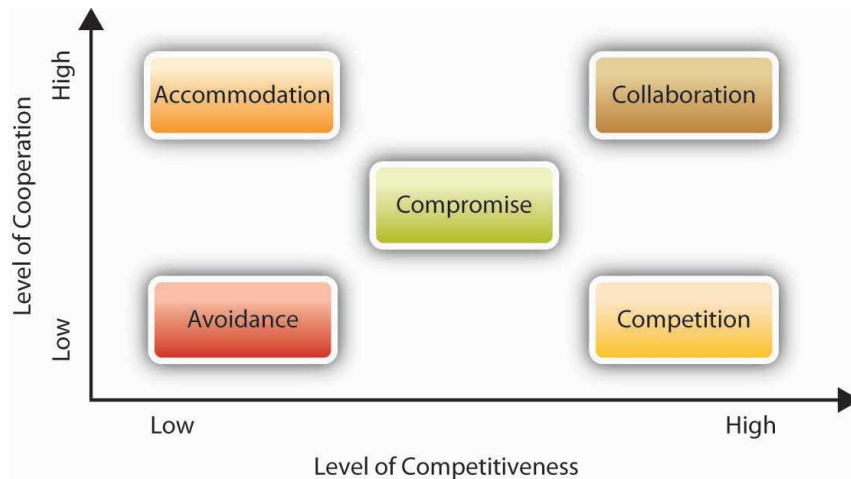
Accommodation: - The accommodating style is cooperative and unassertive. In this style, the person gives in to what the other side wants, even if it means giving up one's personal goals. People who use this style may fear speaking up for themselves or they may place a higher value on the relationship, believing that disagreeing with an idea might be hurtful to the other person. They will say things such as, "Let's do it your way" or "If it's important to you, I can go along with it." Accommodation may be an effective strategy if the issue at hand is more important to others compared to oneself. However, if a person perpetually uses this style, that individual may start to see that personal interests and well-being are neglected.

Compromise: - The compromising style is a middle-ground style, in which individuals have some desire to express their own concerns and get their way but still respect the other person's goals. The compromiser may say things such as, "Perhaps I ought to reconsider my initial position" or "Maybe we can both agree to give in a little." In a compromise, each person sacrifices something valuable to them. For example, in 2005 the luxurious Lanesborough Hotel in London advertised incorrect nightly rates for £35, as opposed to £350. When the hotel received a large number of online bookings at this rate, the initial reaction was to insist that customers cancel their reservations and book at the correct rate. The situation was about to lead to a public relations crisis. As a result, they agreed to book the rooms at the advertised price for a maximum of three nights, thereby limiting the damage to the hotel's bottom line as well as its reputation.

Competition: - Body language can fuel a conflict. People exhibiting a competing style want to reach their goal or get their solution adopted regardless of what others say or how they feel. They are more interested in getting the outcome they want as opposed to keeping the other party happy, and they push for the deal they are interested in making. Competition may lead to poor relationships with others if one is always seeking to

maximize their own outcomes at the expense of others' well-being. This approach may be effective if one has strong moral objections to the alternatives or if the alternatives one is opposing are unethical or harmful.

Collaboration: - The collaborating style is high on both assertiveness and cooperation. This is a strategy to use for achieving the best outcome from conflict—both sides argue for their position, supporting it with facts and rationale while listening attentively to the other side. The objective is to find a win–win solution to the problem in which both parties get what they want. They'll challenge points but not each other. They'll emphasize problem solving and integration of each other's goals. For example, an employee who wants to complete an MBA program may have a conflict with management when he wants to reduce his work hours. Instead of taking opposing positions in which the employee defends his need to pursue his career goals while the manager emphasizes the company's need for the employee, both parties may review alternatives to find an integrative solution. In the end, the employee may decide to pursue the degree while taking online classes, and the company may realize that paying for the employee's tuition is a worthwhile investment. This may be a win–win solution to the problem in which no one gives up what is personally important, and every party gains something from the exchange.

Sources of conflict

Whenever there is more than one internal company, group, gathering, club or organisation, there is the potential for a source of conflict. This could embrace incompatible goals, different value
Structures, divergent interests and interactions that is covert or overt.

1. **Communication:** The communicative source represents those opposing forces that arise from semantic difficulties, misunderstanding and irrelevant information or 'noise' in the channel of communication (Cahn and Abigal, 2014). One of the major conflict myths is that poor communication is the reason for or source of all conflicts. Whilst certainly not the source of all conflict, it can however stimulate misunderstandings. Insufficient exchange of information, or 'noise' in the communication channel, or too much information, can all precipitate conflict (Robbins, Boyle, Judge and Millet, 2014). Differences can arise from different training methods, selective perception, or inadequate information about others. The filtering process that occurs as information is passed between members and the divergence of communication from formal to informal lines, are all sources of potential conflict. Effective communication is also important in resolving conflict. If communication is effective and meaningful data is exchanged, then conflict will be resolved more effectively (Joelle, 2005).

2. **Structure:** The term structure is used to include degree of routine, specialisation and standardisation of tasks assigned to workers, cultural differences of workers, leadership styles and reward systems, all can be considered as sources for conflict. Research has indicated that the higher the level of complexity of the work and the more specialised its activities, the greater the likelihood of conflict. Reward systems are found to be a source of conflict, when one person gains at another's expense (Billinkopf, 2001). Structural sources of conflict can include unequal task dependence, power differences, role conflict and work flow patterns.

3. **Personal variables:** Variable personal factors include the individual value system that each person has, or the personal characteristics that account for individual idiosyncrasies and differences. Certain individuals who are highly authoritarian, dogmatic, or who demonstrate low self-esteem, are a source for potential conflict. Value differences are the best explanation of such diverse issues as prejudice (including racial) disagreement on the role of unions and political views. Cultural and philosophical differences in these value systems are common sources for creating conflict (Nankervis et al, 2011).

4. **Shared resources:** If every department in an organisation had access to unlimited resources, employees, money, materials, equipment and space, the problem of how to share these resources would not arise. This source of conflict exists because these vital resources are limited. Department operating budgets are planned, funds are allocated, and some areas will get less than they need or want. Loss of co-operation or conflict can result, as groups compete for the greatest possible share of available resources.

5. **Differences in goals:** Organisational sub-units tend to become specialized or differentiated as they develop dissimilar goals, tasks and personnel. Such changes and re-allocation of focus, purpose and input, frequently lead to conflict of interest and priorities, even when the overall goals of the organisation are agreed to.

6. **Interdependence of work activities:** Work interdependence exists when two or more sub-units depend on each other to complete their respective tasks. In this case, potential for a high degree of conflict or non-cooperation exists, depending on how the situation is managed. For example, when work groups are given too much work, they may accuse their other sub-unit work mates of shirking their responsibilities, particularly when one work unit is unable to begin work until the other unit completes their allocated task.

Other sources of conflict: Individual styles and organisational ambiguities can be a source of irritation. Some people enjoy conflict, debate and argument, and when kept under control, mild discord can stimulate staff and improve their performance (Nankervis et al, 2011, Selye, 1979). However some individuals manage to escalate the conflicts into full scale battles. The source or potential for conflict is highest when group members differ in work attitudes, age, education, and career goals. If members of different groups know little about each other's jobs they may make unreasonable demands on each other resulting in conflict.

Consequences of conflict

From the discussion above it is clear that conflict is an inevitable factor in organisational life.It is also clear that conflict arises from many different causes. However, it is also asserted that with appropriate management, conflict can be the process of restoring equilibrium within a system that has experienced or been impacted on by change (Tjosvold, 1988). The following discussion addresses the potential consequences of conflict.

- ➢ **Realistic conflict:** In this case, resolution may be achieved despite differing goals, frustration of specific needs, and ideological differences, through the participant's expectation of achieving gains through the conflict. This usually involves an adjustment of the irritant condition resulting in equilibrium being achieved, an outcome commonly achieved in knowledge based organisations (Nankervis et al, 2011).

- ➢ **Unrealistic conflict:** On the other hand, conflict may not be brought about by rival goals and needs of the antagonists, but by the need for tension release in one or both of them. In this case, conflict is not aimed toward specific results, and rarely achieves positive results other than the release of tension (Wertheim, Love, Peck and Littlefield, 1993).

- ➢ **Conflict within the individual:** If unresolved, consequences from this type of conflict are typically dysfunctional with none considered positive in their effects. All types of conflict within the individual must be resolved, or the individual is unlikely to function properly. Unresolved stress is likely to become unmanageable with tension and anxiety most likely to cause unnecessary unrealistic conflict (Cahn and Abigal 2014) with associated stress also causing health problems, such as heart disease and strokes.

- ➢ **Conflict between individuals:** Conflict between individuals generally falls within two categories; realistic and unrealistic, resulting in consequences as mentioned above. Alternatively, in conflict between individuals, the closer the relationship, the more intense the conflict. The more the individual's

personality is committed to the conflict, the greater the danger of creating lingering conflict between the individuals. However, in the case of virtual strangers, when little individual personality is committed to the conflict, it may not be as intense, and could have the positive consequence of stimulating greater effort and activity.

➢ **Conflict between individuals and their groups:** This type of conflict is generally a means of achieving unity within a group, with low level conflicts usually resolved and a source of benefit for the group provided the same people are not in conflict over varying issues. However, if the individual is in conflict with the rest of the group over the conceptual basis of the group, a phenomenon called Social Hatred (Cinar, 2013) may develop. This hatred is directed against a member of the group, not from personal motives, but because the member presents a danger to the preservation of the group. A typical example of this, is the way the renegade hates and is hated. This is a very negative consequence and should be avoided.

➢ **Conflict between groups within an organisation:** Consequence of conflict between internal groups is typically greater internal cohesion within those groups. However, this general principle only holds true if: the group is an on-going concern, that is, there must be at the very least consensus among members of the group; and there must be recognition of an outside threat which is thought to menace the group as a whole, not just some part of the group. If these conditions are not met, the group is almost certain to dissolve or at least capitulate to the outside threat. Another consequence of inter-group conflict is that conflict with another group defines group structure and consequent reaction to internal conflict. Groups in conflict are less tolerant of internal conflict and group leadership tends to centralise about a consensus core.

➢ **Conflict between organisations:** In the Western World, conflict between organisations is an inherent part of society. A consequence of this conflict is the free enterprise and social capitalism systems. More specific consequences of this type of conflict are the formation of social limiting devices such as laws, for example: a Trade Practices Act. It is generally believed that such conflict also leads to the development of new products, technologies and services, lower prices and more efficient use of resources.

➢ **Summary of Consequences:** It can be generally said that conflict tends to be dysfunctional for a structure in which there is no or insufficient toleration and institutionalisation of conflict. The intensity of a conflict which threatens to tear apart, which attacks the consensual basis of the organisation, is related to the rigidity of the organisational structure. What threatens the survival of the organisation is not the conflict as such but the rigidity of the structure which permits hostilities to accumulate and to be channelled along only one major line of cleavage.

Conflict management

Until recently, it was commonly agreed that conflict in an organisation was counter-productive, whether it be functional, dysfunctional, overt or covert (Lewicki, Saunders and Minton, 1997). In addition, it was generally accepted that if you had conflict in your organisation, there was something wrong with that organisation. A change to this theory took place when behavioural science and management researchers identified causes of conflict totally unrelated to bad management. They discovered that conflict in an organisation does not have to be dysfunctional as the original theory would suggest, rather it can have the effect of being a functional tool of management (Tjosvold, 1988). Conflict need not be suppressed, but in fact, can be encouraged in order to stimulate creativity and bring about necessary change. Conflict has a part to play in the effective achievement of

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company goals, in that it stimulates creative capacities and draws attention to problems that may otherwise be neglected.

Regulating Conflict: Some organisations may have an excess of conflict, which even though it is resolved causes disruption, uncertainty, and inevitably becomes counter-productive. It could be said that a company whose major industrial union is very active and even militant and which makes excessive demands on the organisation is a contributor to excessive conflict. Reducing the level of conflict in such the organisations is very difficult, and in most cases does very little to resolve the issues. Diversion tactics aimed at drawing the conflicting party's attention away from the problem, such as substituting a super-ordinate goal, usually is only temporary as the underlying reason for the conflict still remains unsolved. If the level of conflict needs to be reduced, then it should be by resolution of the cause of conflict (Nankervis et al, 2011). Murray (1974) identifies collective bargaining as the main means by which we seek to do this. He further argues that 'the purpose of collective bargaining is to resolve conflict' (1974, p.955). Some organisations present as having very little conflict. However, the apparent absence of conflict may be an indicator that members are either complacent or afraid to voice their opinion. In this situation, factors that could result in improved performance are ignored, poor performance is tolerated and members adopt a passive attitude towards company procedures.

There are many ways to stimulate a conflict situation and they include:
1. Introducing monetary incentives for increased production and quality. The fostering of competition will lead to increased productivity as the groups fight for superiority. On the basis of multilevel research covering different manufacturing industries such as steel, apparel, medical electronic instruments and imaging:
   'Based on the survey evidence of high-performance work place practices such as production teams and incentive pay schemes suggested that these practices probably do improve performance'.
2. Restructure the work groups or re-arrange staff responsibilities, this may lead to increased efficiencies but may also result in conflict as the group members voice their opinions.
3. Employ a manager whose background and style is quite different to that which is the norm in the organisation. Being an outsider, the new manager would not be stereotyped and would be in a good position to hear past grievances and resolve them.
4. Try something different and go against normal practice and procedures. This may demonstrate that there are good reasons for doing things another way, but then may also stimulate conflict due to a reluctance to change from old habits.

Whatever the situation, the attitude of top managers is of critical importance to encouraging and controlling the level of conflict.

Resolving conflict

For conflict to be resolved, all parties should perceive and the need to do something about it. The nature of the conflict will direct the appropriate strategy. However, it is generally agreed that problem solving is the most successful method employed in the majority of cases (Nankervis et al, 2011). The manager can elect to handle the situation in various ways. He or she can simply ignore that a problem exists or try to quell the situation and resolve the matter. Ignoring the conflict in the hope that it will either resolve itself or just go away is a negative approach and does very little, if anything, to resolve the situation. Normally, if the conflict has any substance, underlying differences and unrest will continue and may escalate the degree of the conflict. Eventually, the

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conflict situation will need to be addressed. Attempting to suppress the conflict does not address or eliminate the basic causes either. Suppression may keep the peace on the surface, but still allows the reason for the conflict to remain and manifest itself as either supporting material for future conflicts, or indeed, be the basis for a re-occurrence of the initial conflict situation at a later date. Conflict resolution only exists when the reasons for a conflict are eliminated, if lingering issues or antagonisms remain they can generate more such conflicts in the future. Conflicts can be addressed through several strategies, such as lose-lose, win-lose and win-win. It is only in the win-win strategy that true conflict resolution occurs.

- **Lose-Lose conflict:** Lose-Lose outcomes occur due to Avoidance, Smoothing or Compromise. No one really achieves satisfaction, and the underlying causes of the conflict remain to initiate future conflict over the same issues. Avoidance is a form of ignorance, in that the manager does not wish to know the problem exists, in the hope that it may just go away. Quite often, this occurs because the manager has no idea of how to handle the problem. Smoothing attempts to play down the problem by highlighting areas of agreement and similarities, unfortunately, smoothing may ignore the real issues involved in the conflict situation. It could be said that smoothing is intended to bring about a situation of peaceful co-existence, however, if the underlying issues are not addressed, this is not likely to happen. Compromise occurs when each party to the conflict is prepared to relinquish something to achieve its ultimate objective. In this case, neither party gains and although the conflict appears to be resolved, once again the basis for future conflict exists (Wertheim et al, 1993).
- **Win-Lose conflict:** In the Win-Lose context, only one party gains some satisfactory resolution to their conflict situation. Usually, the winner does so at the expense of the other party or parties. In this situation, there is no compromise, either the satisfied party achieves its result or the manager simply dictates a solution and specifies what is gained or lost and by whom. If the authority is a party to the conflict, it would normally be easy to predict who will be the winner and the loser. This strategy also fails to resolve the matter or address the root causes of the conflict (Wertheim et al, 1993). One or more parties may still feel aggrieved, rarely is the conflict justly resolved and therefore, the potential for a reoccurrence of the issue is still there.
- **Win-Win conflict:** Win-Win conflict resolution is achieved by collective problem solving, where all parties to the conflict meet to achieve a resolution that is mutually satisfactory to all parties. All parties must recognise that there is an issue to be addressed. Confronting each other with their views allows each of the parties the opportunity to gain a broad perception of the problem and with skilled leadership a satisfactory conclusion can be reached. Problem solving can lead to the possibility of an acceptance of a super ordinate goal that can be achieved mutually, due to the satisfactory resolution of the conflicting parties' lower level goals. Win-Win conditions should be such that the resolution is total leaving no lingering dissatisfaction with the conclusion that could cause the issue to re-emerge. Bodine, Crawford and Schrumpf (1994) suggests a model to foster mediation and group problem solving as a six-step process: (1) agreeing to mediate, and accepting ground rules, (2) gathering points of view; (3) focusing on interests; (4) creating win-win options; (5) evaluating options;(6) creating an agreement.

Organizational Life Cycle

Organizations are social systems. They're groups of people organized around a common purpose. Their activities include similar recurring practices, for example, strategic planning, business planning, product and service development, marketing, financial management and evaluations. Each activity usually includes formally or informally clarifying goals, taking steps toward those goals, deciding if the goals are being met or not, and

adjusting activities to be even more effective and efficient in reaching the goals. The social systems can be focused primarily on the entire organization, teams, each product or service, or within a certain activity. Individuals themselves are systems, needing a clear purpose and activities to continually work toward that purpose.

Social systems go through common life-cycles ranging from, for example, from start-up to growth to maturity. For example, as people mature, they begin to understand more about the world and themselves. Over time, they develop a certain kind of wisdom that sees them through many of the challenges in life and work. They learn to plan and to use a certain amount of discipline to carry through on those plans. They learn to manage themselves. Meanwhile, they go through infancy, child-hood and early-teenage phases that are characterized by lots of rapid growth. People in these phases often do whatever it takes just to stay alive, for example, eating, seeking shelter and sleeping. Early on, many people tend to make impulsive, highly reactive decisions based on whatever is going on around them at the moment.
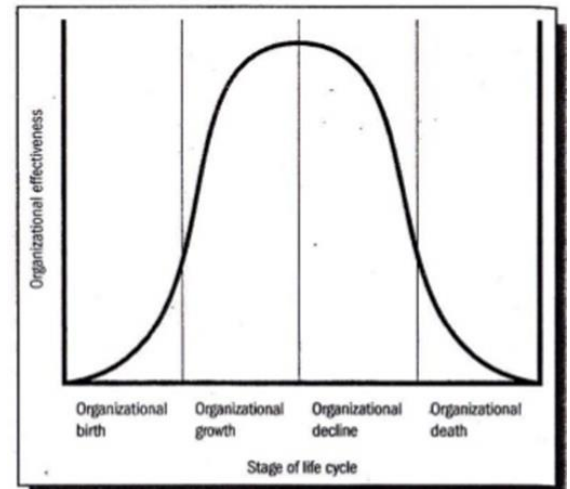
Organizations are not static, they change. Like children, organizations typically go through different phases. Discover the five phases of the organizational life cycle.

- **Stage 1: Existence :** Commonly known as the birth or entrepreneurial stage, existence" signifies the start of an organization's expansion. The main importance is centered around the acknowledgement of having an adequate number of customers to keep the organization or business active.
- **Stage 2: Survival:** At this stage, organizations look to pursue growth, establish a framework and develop their capabilities. There is a focus on regularly setting targets for the organization, with the main aim being to generate sufficient revenue for survival and expansion. Some organizations enjoy adequate growth to be able to enter the next stage, whilst others are unsuccessful in achieving this and consequently fail to survive.
- **Stage 3: Maturity:** This stage signifies the organization entering a more formal hierarchy of management (hierarchical organization). A frequent problem encountered at this stage would be those associated with "Red Tape". Organizations look to safeguard their growth as opposed to focusing on expansion. Top and middle-level management specialize in different tasks, such as planning and routine work respectively.
- **Stage 4: Renewal:** Organizations experience a renewal in their structure of management, from a hierarchical to a matrix style, which encourages creativity and flexibility.
- **Stage 5: Decline:** This stage initiates the death of an organization. The decline is identified by the focus on political agenda and authority within an organization, whereby individuals start to become preoccupied with personal objectives, instead of focusing on the objectives of the organization itself. This slowly destroys the functionality and feasibility of the entire organization.

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.

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Sources of Organizational Power

→ **Authority:** power that is legitimized by the legal and cultural foundations on which an organization is based **Empowerment:** the deliberate decentralization of authority

→ **Control over resources:** as the organization controls more and more resources in its environment, power within an organization comes from the control of resources.

→ **Control over information:** access to strategic information and the control of the information are sources of considerable power.

→ **Non substitutability:** if no one else can perform the tasks that a person or subunit performs, that person or subunit is non substitutable.

→ **Centrality:** the subunits that are most central to resource flows have the ability to reduce the uncertainty facing other subunits. Control over uncertainty: a subunit that can actually control the principal sources of uncertainty has significant power. Changes in contingencies facing the organization alter which subunits have this power

→ **Unobtrusive power:** controlling the premises of decision makingUnobtrusive power: the power flowing from the ability to control the premises behind decision makingThe power of a coalition resides in its ability to control the assumptions, goals, norms, or values that managers use to judge alternative solutions to a problem
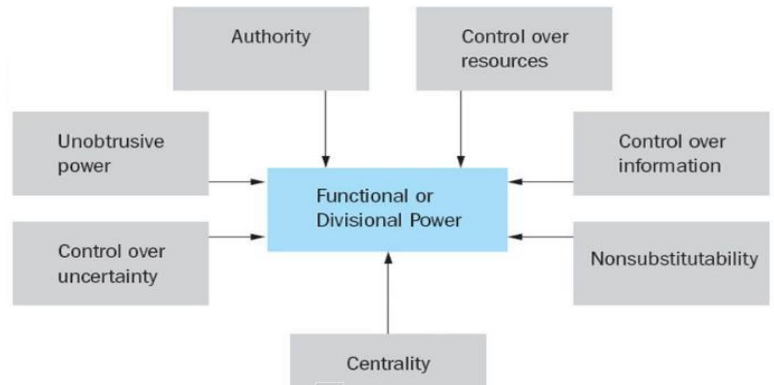
Using Power: Organizational Politics

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

Tactics for playing politics

1. **Increasing indispensability:** become indispensable to the organization.
2. **Increasing non substitutability:** develop specialized skills or knowledge that enables one to control a crucial contingency facing the organization.
3. **Increasing centrality:** accept responsibilities that enhance one's reputation or that of one's function.
4. **Associating with powerful managers:** supporting a powerful manager who is clearly on the way to the top.
5. **Building and managing coalitions**:
   → Forming relationships with stakeholders and other subunits around some common issue.
   → Skills in coalition building are important.
6. **Influencing decision making**
   → Must be circumspect in the use of power.
7. **Controlling the agenda**

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→ By setting the agenda, managers can control the issues and problems to be considered.

8. **Bringing in an outside expert**
   → Use supposedly neutral outsiders to support the views of the coalitions
9. **Costs and benefits of organizational politics**
   → 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
   → 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, and organizational inertia increases

Organisational change

Successful organisations are designed and managed to sustain balance between their structure and function, while meeting the varied demands of the environment, technology, employees, and addressing other internal and external pressures. However, contemporary organisations are not static but dynamic, often in a constant state of change. Successful managers learn to anticipate these changes and take appropriate action. Managing such changes effectively is not only challenging, but essential for an organisation's survival.

Organisational change can frequently result in conflict, which Oliveira and Sarmento (2003) argue can be affected by factors such as culture and attitude, and may be used to great effect when directed towards achieving positive outcomes, as demonstrated in increased creativity and improved productivity (Nankervis, Compton, Baird and Coffey, 2011). Organisational conflict may be defined as a disagreement between two or more individuals, groups or organisations, often as a result of the requirement to share the same scarce resources or work related activity, which in turn can also raise the potential for a conflict of interest. In the legal sense, there are three accepted categories of conflict of interest. The categories are, 'actual conflict of interest', 'potential conflict of interest' and 'perceived conflict of interest'.

The definitions given above are intentionally broad. They do not specify the scale of the disagreement, or in what manner the conflicting parties prevail, or how the conflict is managed, or what the outcome is. However, in each of these cases, these factors determine whether the conflict is functional or dysfunctional, and to what extent corporate culture and more particularly corporate nurture may influence the overall scenario.

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