

13.13 MODEL QUESTIONS

Q.1 : Define the term 'group'. Why do groups form?

Q.2 : How are group decisions made? How can group decisions be made more effective?

Q.3 : Explain the concept of inter-group behaviour.

Q.4 : What is menat by team? Describe the most common types of teams.

Q.5 : Describe the activities necessary to construct, develop and manage an effective team.

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UNIT 14: POWER, POLITICS, CONFLICT, NEGOTIATION AND STRESS

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14.1 LEARNING OBJECTIVES

After going through this unit you will be able to:

- describe the concept of power and identify the sources of power in organizations.

- explain the concept of organizational politics
- state the concept of conflict
- list the types of conflict
- discuss the strategies for managing conflict in organizations
- identify the role of negotiation in resolving conflict
- explain the nature and types of stress.
- identify the causes of stress and highlight the strategies to cope with stress.

14.2 INTRODUCTION

Power is the potential ability to influence the behaviour of others. It is the ability to make things happen or get things done the way one want. Power involves the potential to influence others. The sources of power can be primarily categorized into two: formal position of the leader and personality characteristics of the leader. Power and politics are indisputable facts of organizational life. They are universal and important phenomena that need to be understood by employees, managers, and employers.

Conflict is an essential part of organizational life. It takes many forms and stems from many sources. Conflict can be a serious problem in any organization. If not handled properly, it can hurt an organization's performance. Managers, therefore, have to take appropriate steps in order to manage conflict in a constructive way. Negotiation plays an important role in resolving conflicts.

Stress is a fact of everyday life. When people reach out for help, they are often dealing with circumstances, situations, and stressors in their lives that leave them feeling emotionally and physically overwhelmed. Stress can come from any situation or thought that makes one feel frustrated, angry, or anxious. Everyone sees situations differently and has different coping skills. For this reason, no two people will respond exactly the same way to a given situation. In this Unit we shall discuss all these aspects related with power, politics, conflict, negotiation and stress.

14.3 CONCEPT OF POWER

According to Pfeffer, power is the capability of one social actor to overcome resistance in achieving a desired objective or result. In other words, interpersonal power in a social situation is the ability to get one's way. Examples of social power are seen everywhere – influence, leadership, persuasion, selling, forcing, and coercing – all these are power in action. To have power or to exercise power is not, in itself, either good or bad. The phenomenon of power is ubiquitous i.e. present everywhere. McClelland's research indicated that while most people give a negative connotation to power, it is by power that things are done in the world. The exercise of power is behind most human achievement, both good and bad. According to him, negative face of power is characterized by a primitive need to have dominance over submissive others. The positive face of power is characterized by a socialized need to initiate, influence, and lead. This positive face of power is intended to enable others to reach their goals as well as let the persons exercising power to reach their goals. The negative face of power seeks domination; the positive face seeks "more power to everybody".

14.4 SOURCES OF POWER

The sources of power determine the process of generation and acquisition of power. There are different approaches to understand who gets power and how, but we discuss the following two approaches:

14.4.1 French and Raven's Social Power Theory

French and Raven have suggested five sources, or bases, of social power:

- **Reward Power:** Power based on the ability of the power holder to reward another, that is, to give something valued by the other.
- **Coercive Power:** Power based on the ability of the power holder to punish the other, that is, to give something that is negatively perceived by the other.

- **Legitimate Power:** Power based on the fact that everyone believes that the power holder has a legitimate right to exert influence and that the power receiver has a legitimate obligation to accept the influences.
- **Referent Power**: Power based on power receiver having an identification with the power holder.
- **Expert Power**: Power based on the power holder possessing expert knowledge or expertise that is needed by the other. Information power is a form of expert power where the power holder possesses important facts or information needed by the other.

14.4.2 Mintzberg's Genesis of Power Theory

Mintzberg's theory of organizational power is built on the premise that "organizational behaviour is a power game in which various players, called influencers, seek to control the organization's decisions and actions." The *three* basic conditions for the exercise of power are, *some source of basic power* coupled with the *expenditure of energy* in a *politically skillful way* when necessary. There are three bases of power, according to Mintzberg:

1. Control of resources,
2. Control of technical skill,
3. Control of body of knowledge

All these three bases are critical to the organization. In addition to the bases of power the influencer must have the will and the skill to use power. There are many influencers in and around the organizations, such as board of directors, managers, the top executives, union leaders, regulators etc.

14.4.3 Consequences of Power

Yukl has provided a framework for understanding how power can be employed under different conditions. The bases of power are related to forces residing in the subordinates - those of commitment, compliance, and resistance.

A committed subordinate will have little difficulty in accepting and identifying with the leader and may put in extra effort necessary to complete a project that is important to the leader.

A compliant subordinate is likely to carry out the leader's wishes, provided it does not involve extra effort but will work at a reasonable pace.

A resistant subordinate is likely to be in conflict with the leader and may neglect the project as a means of contravening the leader's instructions or guidelines.

The reaction to the use of power is illustrated in the figure:

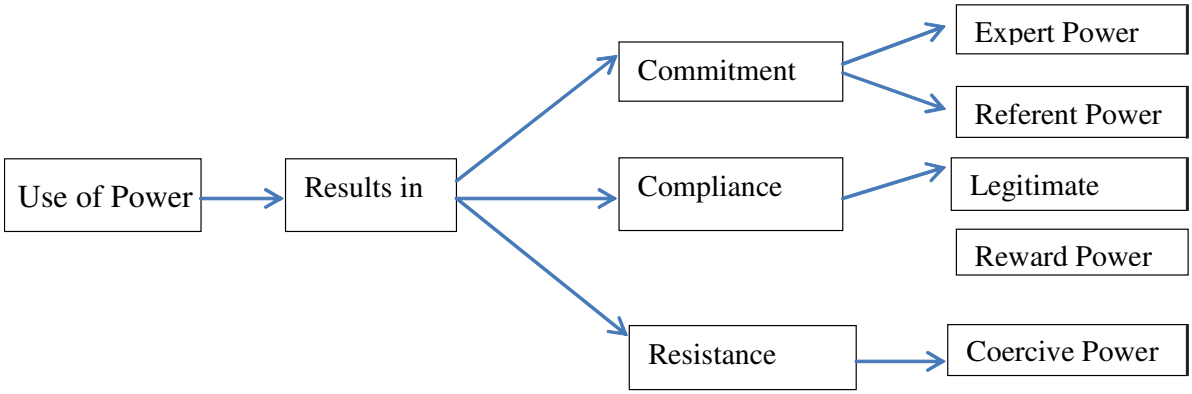


Figure 14.1: Outcome of the use of power

One broad dimension, referred to as **position power**, has to do with the power based on one's formal position (authority) in an organization. It includes three power bases – legitimate power, reward power, and coercive power.

The other broad dimension is known as **personal power**. This refers to the power that one derives because of his individual qualities or characteristics. It includes expert power and referent power, as well as persuasive power and charisma.



CHECK YOUR PROGRESS

Q.1 What is coercive power?

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14.5 CONCEPT OF ORGANIZATIONAL POLITICS

While power refers to one's ability to influence flows of available energy and resources towards certain goals as opposed to other goals, organizational politics refer to one's behaviour to influence the distribution of advantages or disadvantages within the organization. In this sense, both power and political skills serve similar functions. Both refer to the ability to influence, and both can be equally used to achieve legitimate or illegitimate goals. The difference lies in the means of influence

Exercising power would involve the use of legitimate means (one's position, expertise, reward and punishment etc), whatever be the ends. Political skills refer to the use of means (withholding information, blocking-off incoming info, delaying agreement and decisions, emphasizing perfectionism etc) to achieve ends, which may be quite legitimate.

14.6 ORGANIZATION AS A POLITICAL SYSTEM

Organizational members enjoy power from various sources which help them in influencing each other. This creates complexity and contradiction in relationships. For instance, when a senior executive faces a trade union leader, both have power, but from different bases.

The decision-maker has to contend with and balance diverse and often contradictory demands arising from different constituencies (subordinate staff, colleagues, superiors etc). Since satisfying each of these groups is essential for the effective implementation of decisions, the decision-making does not remain a mere rational and objective decision.

By virtue of their role, certain people/departments are more important for achieving organizational goals as compared to others. Thus, while on paper, all people/departments are equal, some are, more powerful than

others. In any organization, people differ widely in terms of their need for power and control.

Most organizations work on the principle of resource optimization. This is easier said than done, and so, lobbying for resources becomes a practical necessity for any well-meaning executives.

Lastly, any viable decision needs to satisfy three kinds of goals: corporate goal, departmental goal and individual goal. These three, in most situations, are not congruent with each other, call for political skills from the decision-maker.

14.6.1 Factors Contributing to Political Behaviour in Organizations

The political behavior of individuals in the organization is influenced by variety of factors. These factors can be broadly categorized into individual and organizational factors.

Individual Factors:

There are individual factors where individuals play politics to satisfy their personal needs. Many people like to gain power for control and to influence decision-making process of the organization. The aim of such individuals is to increase the area of their influence. They try to sustain power as it helps to obtain personal needs and fulfill desires. In organizations, individuals play politics as they have great desire and high need of gaining power. There are many individuals who play politics because of their expectation of quick success in life at any cost.

Organizational Factors:

There are some organizational factors that influence the individuals to play politics in the organizations. These factors are as follows:-

a. **Limited Resources in the organization**: - When there are limited resources in the organization then every individual in the organization wants to have optimum resources. It results in making individuals getting engaged themselves in politics to get the maximum advantage of the distribution of resources.

b. **Uncertainty in decision-making**: - There are some individuals who take advantage of the situation where there is uncertainty and ambiguity in decision-making because of unclear rules and policies.

c. **Performance evaluation:** - The individuals tend to play politics in the organization when performance evaluation and its outcome are subjective, qualitative and unclear.

d. **High performance pressure:** - The individuals play politics when they are enforced with high performance pressure. The politics playing in the organization becomes measure to pressurize authority to withdraw control and lower the performance target.

CHECK YOUR PROGRESS



Q.2 State two organizational factors that influence the individuals to play politics in the organizations.

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14.6.2 Managing Political Behaviour in Organizations

An organization is at loss when its employees play dirty politics. Individuals find it extremely difficult to concentrate on their work in a politically driven organization. Management plays an important role in avoiding politics at the workplace. The management must delegate responsibilities as per interests, specialization and educational qualification of the individuals. Job mismatch leads to politics at the workplace. Employees indulge in all sorts of non-productive tasks when they have nothing innovative to do. The management must ensure that each and every employee adheres to the set guidelines and follows the predefined rules. No employee should be given special benefits. Policies should be same for

everyone. The management must regularly interact with the employees to find out their grievances. The issues must be sorted out immediately to expect loyalty from the employees towards the organization. A good and a healthy relationship amongst the employees reduce the chances of politics at the workplace. The management must promote team building activities to strengthen the bond amongst the employees.

Case study on power and politics

Mr. Kabir was working in an Administration Department as Officer-Administration. He was responsible for keeping account of all the vehicles of the company apart from other arrangements including the guesthouse of the company. Mr Kabir has been working in the company for 6 years in the same grade without promotions. He was supposed to be very honest in his job. Once the GM of the factory Mr. Rakesh Gupta, requested for the company car during office time for his personal work. Mr. Kabir refused saying that it cannot be given during the office work as the work would suffer due to its duty to go to bank. Mr. Gupta became quite upset and asked his boss Mr. Srivastava to give the car. Mr. Srivasatava (Sr. Manager Admn) was too happy to oblige Mr. Gupta as he wanted one of his relatives to be employed as Officer. Hence he fired Mr. Kabir for his disobedience and threatened to transfer him to stores if he continued to show disrespect to Senior officers. Kabir was also active member of staff union. He immediately went to the Union President and informed him about the misuse of the company car for private purpose by the GM at the cost of the office work. It was decided that Kabir would send a note in writing to Mr. Srivastava asking him to approve sending the car to the house of Mr. Gupta. Mr Srivastava understood the possible repercussions and refused to sign the approval. He lent his own car to Mr Gupta.*1. What power was being used by Kabir?2. What power Mr Srivastava was using? 3. What was the game Kabir played when Srivatava ordered the car?*

14.7 CONCEPT OF CONFLICT

Conflict is a disagreement between two or more parties, such as individuals, groups, departments, organizations or countries, who perceive that they have incompatible concerns. Conflicts exist whenever an action by one party is perceived as interfering with the goals, needs or actions of another party. Conflicts can arise for several reasons, some of them are:

- Incompatible goals
- Differences in the interpretation of facts
- Negative feelings
- Variations in values and philosophies
- Disputes over shared success

Conflict is neither good nor bad. The outcome of a conflict is the criterion for determining whether the conflict is functional (conflict that supports organization's goal) or dysfunctional (conflict that prevents an organization from achieving its goal), that is, whether it has positive or negative outcomes for concerned parties.

14.8 TYPES OF CONFLICT AND THEIR MANAGEMENT

Conflict in organizations manifests itself in different forms. Broadly there are three types of conflict: personal, group, and organizational. All these types can be further classified in terms of being "intra" meaning within, and "inter", meaning across. These conflicts are interrelated and affect each other in organization.

Inter-personal conflict involves two or more individuals rather than one individual. Two men vying for the same accommodation, two mangers competing for the same promotion, two executives maneuvering for a larger share of corporate capital are examples of conflict between individuals are quite familiar. So inter-personal conflict occurs when two person's attitudes, behavior, and actions are in opposition. Personality clashes lead to interpersonal conflicts in organizations. Inter-personal conflict also results when there is a lack of clarity in terms of understanding one's role in a given situation with respect to another person. The most commonly cited

reasons for interpersonal conflict are: personality differences, differences in perception, clashes of values and interests and power and status differences.

Intra-personal conflict is internal to the person and is probably the most difficult type of conflict to analyze. It happens because the person is not clear about his role; he sets two mutually exclusive goals for himself. An individual is expected to play a variety of role in his life. Since it is practically impossible to live up to everyone's expectations, the role incumbent starts experiencing frustration and anxiety from within. These ultimately lead to interpersonal conflict.

Conflicts between teams and groups are termed **inter-group conflicts**. They result because of opposition, disagreements, and disputes between the teams. It can have both positive and negative consequences. On the positive side, the intergroup conflict increases the cohesiveness among the group members, thereby generating enhanced commitment and loyalty towards the group. On the negative side, it distances people from each other in organizations and enhances the gap between teams and departments.

A heightened level of intergroup conflict can be dysfunctional for organizations. In organizations when groups compete for a common goal in situation of scarce resources, such conflicts are likely to result in hostility towards each other. Managers should try to encourage cooperative behavior among members and also try not to be prejudiced towards certain groups or individuals. They should encourage intergroup or interdepartmental activities so that a desirable level of trust can be established.

Intragroup conflict is a form of interpersonal conflict. It includes disagreements between group members on certain issues, thereby leading to ineffectiveness in the group's functioning. It is very common feature of family-run businesses where the conflict becomes more intense when the owner or the founder is about to retire or dies untimely. The conflict between the Ambani brothers of the Reliance Group is an example of intergroup conflict.

Conflicts between organizations are termed **inter-organizational conflicts**. Corporate takeovers, mergers, acquisitions can also produce inter-organizational conflict. The degree of conflict generated may depend on the extent to which the organization creates uncertain conditions for competitors, suppliers or customers and try to control the same resources. Attempts to resolve inter-organizational conflicts can be made so that it creates a positive impact on organizational performance and result in the formation of strategic alliances and partnership.

Intra-organizational conflicts occur across departments in an organization, within work teams and other groups, and between individuals. It is widely acknowledged that intra-organizational disputes can negatively impact an organization in significant way. These disputes can reduce productivity, harm morale and diminish a stated goal of hiring and retaining the best qualified and competent employees. Mediation/arbitration techniques are increasingly being utilized to manage and resolve intra-organizational conflict.

14.8.1 Positive Attitude towards Conflict

Conflicts in organizations can be positive forces. The creation and resolution of conflict can lead to constructive problem solving. The need to resolve conflict can lead people to search for ways of changing how they do things. The conflict-resolution process can stimulate innovation and positive change, as well as make change acceptable. A positive attitude towards conflict encourages people to solve their differences, to participate in developing an ethical and fair organization, and to directly handle injustice.

14.8.2 Negative Attitude towards Conflict

Conflict can also have serious negative effects, diverting attention from the goal and depleting resources, especially time and money. Conflict can negatively affect the psychological wellbeing of employees and cause stress. Severe conflicting thoughts, ideas, and beliefs can lead to resentment, tension, and anxiety. Over an

extended period, conflicts can make it difficult to create and maintain supportive and trusting relationships. When cooperation is required, severe conflict and competition hurts performance. Deep and lasting conflicts that are not addressed can even trigger violence among employees or between employees or others

14.9 RESOLVING CONFLICT THROUGH NEGOTIATION

Negotiation is a means of resolving differences between people. In the process of negotiation, not only are different opinions are taken into account, but also individual needs, aims, interests and differences in background and culture. One of the techniques of resolving conflict is through third-party mediation, which requires the involvement of a third-party consultant to settle the dispute between two parties. The process of third party mediation involves of opening, information sharing, exchanging and negotiating, reaching an agreement and concluding.

The Win-Lose Approach to Negotiation:

Negotiation is sometimes seen in terms of 'getting your own way', 'driving a hard bargain' or 'beating off the opposition'. While in the short term bargaining may well achieve the aims for one side, it is also a Win-Lose approach.

This means that while one side wins the other loses and this outcome may well damage future relationships between the parties. It also increases the likelihood of relationships breaking down, of people walking out or refusing to deal with the 'winners' again and the process ending in a bitter dispute

While this form of bargaining may be acceptable in the market place, and even expected in some cultures, for most situations it has drawbacks. These drawbacks can have serious consequences if applied to social situations

The Win-Win Approach to Negotiation:

Many professional negotiators prefer to aim towards what is known as a Win-Win solution. This involves looking for resolutions that allow both sides to gain.

In other words, negotiators aim to work together towards finding a solution to their differences that results in both sides being satisfied.

This means not allowing the disagreement to damage the interpersonal relationship, not blaming the others for the problem and aiming to confront the problem not the people. This can involve actively supporting the other individuals while confronting the problem.

14.10 WORK STRESS AND ITS CAUSES

Stress is a condition in which an individual is confronted with an opportunity, constraint or demand related to what one desires and for which the outcome is perceived to be both uncertain and important. According to this widely accepted definition, stress is associated with (i) constraints or demands, (ii) uncertainty over the outcome which is regarded as important.

Stress can be constructive (positive) or destructive (negative):

Stress is good when the situation offers an opportunity to a person to gain something. It acts as a motivator for peak performance

Constructive Stress (or Eustress) can indicate a situation where the individual is in balance or behaves within tolerable limits. Low or moderate amount of stress can act in a constructive or energizing way. Moderate stress can increase effort, stimulate creativity and encourage diligence in one's work. It can be equated with tension that causes one to work hard before exams, pay attention in class, and complete project/ assignments on time. The same positive results of stress can be found in the workplace.

Stress is negative when a person faces social, physical, organizational and emotional problems.

Destructive Stress (or Distress) is not healthy for the individual and/or organizations. Distress would indicate effects that are out of balance or outside the tolerance limits. Excessive stress may lead to overload and breakdown of a person's physical and mental systems. Performance may suffer and persons may react to high stress through absenteeism, errors, accidents, reduced performance etc.

14.10.1 Causes of Work Stress

Factors that are responsible for causing stress are called **stressors**. Following are some causes of stress at work or in organization:

Career Concern:

If an employee feels that he is very much behind in the corporate ladder, then he may experience stress. If he seems that there are no opportunities for self-growth, he may experience stress.



Figure14.2 : Causes of Stress at Work

Role Ambiguity:

It occurs when the person doesn't know what he is supposed to do, on the job. His tasks and responsibilities are not clear. The employee is not sure what he is expected to do. It creates confusion in the minds of the worker and results in stress.

Rotating Work Shifts:

Stress may occur in those individuals who work on different work shifts. Employees may be expected to work on day shift for some days and then on the night shift. That may create problems in adjusting to the shift timings, and it can affect not only personal life but also family life of the employee.