Chapter 12
Intergroup Behavior and Conflict

Chapter Outline

Competition and Cooperation
Cohesiveness
Conflict and Organizational Performance
Causes of Intergroup Conflict
Consequences of Intergroup Conflict
Resolving Intergroup Conflict
Creating Functional Conflict

Competition and Cooperation

This chapter examines the causes and consequences of intergroup conflict. The interactions between groups have an enormous influence on the effectiveness and survival of an organization. Individuals and groups depend on each other for information, assistance, and coordinated effort, and this interdependence may foster either a competitive or a cooperative relationship.

The relationship between two groups does not need to be competitive, although it often is. The interaction can just as easily be cooperative, calling for a helping response. This chapter examines the interactions between individuals and groups and the circumstances that determine whether a cooperative or conflict relationship will exist between them. When will two groups choose to cooperate or compete? How can intergroup conflict be resolved and be replaced by a cooperative relationship?

Differences Between Competition and Cooperation

Interpersonal relationships vary along a continuum representing different degrees of concern for others versus self-interest, as shown in Exhibit 12.1. At one extreme individuals or groups have a high concern for others and are willing to go out of their way to help them. At the other extreme, individuals are concerned only for their own self-interest, even to the point of attempting to injure or destroy the other party. Four types of interactions can be defined along this continuum: altruism, cooperation, competition, and conflict.

EXHIBIT 12.1   Continuum of Concern for Others versus Self-Interest

Concern for Others — Altruism   Cooperation   Competition   Conflict — Self-Interest

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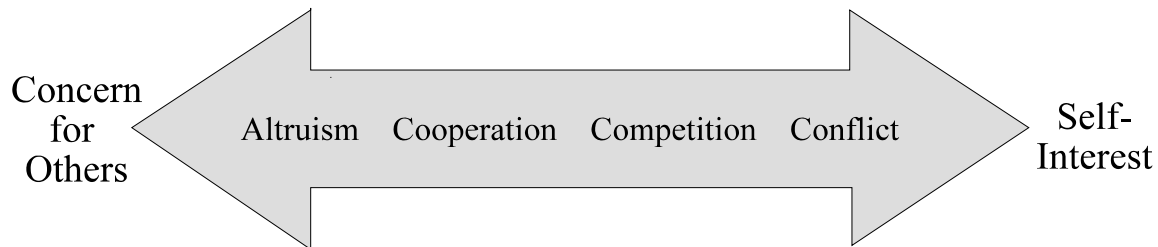
Altruism. Behavior that is motivated by a regard for others is called **altruism**. Altruism usually involves at least some cost to the helper, such as physical, mental, or emotional effort, for which the helper does not expect to be compensated. Altruism includes both small acts of courtesy, such as holding the door open for the next person, and heroic acts, such as risking your life to rescue someone from danger.

Cooperation. Cooperation means working together for a joint goal or mutual benefit. Unlike altruism, where no reward is expected, cooperation involves helping another and in so doing helping yourself. A group of doctors and a team of medical technicians cooperate when one group refers patients for medical tests and the other group analyzes the tests. In a cooperative situation, both parties benefit from their combined efforts.

Competition. Competition occurs when two or more parties are striving for a goal that can be obtained by only one of them. Fixed or limited resources is one of the basic characteristics of a competitive situation: the person with the most sales wins the sales contest; the group with the lowest bid is granted the contract; only one individual can be promoted to division manager. Three different types of competition can be created by altering the reward structures.

—*Intragroup competition* exists when the members of a group compete against each other for a reward.
—*Intergroup competition* exists when one group is competing against another group for the rewards.
—*Individual competition* (sometimes called *noncompetition)* is when individuals work independently against an external standard.

To illustrate: if four members of a group ran a race to see who was the fastest, they would be participating in intragroup competition. If they formed a relay, however, and challenged another group to see which team was the fastest, they would be competing in intergroup competition. If they ran individually, however, and measured their times, they would be engaging in individual competition against their own previous record.

Conflict. Conflict occurs when two groups have mutually exclusive goals and their interactions are designed to defeat, suppress, or inflict damage on the other. Conflict is not limited to interacting groups, since it can also occur within groups, between individuals, and within and between organizations. For example, conflict usually occurs when labor-management negotiations reach a stalemate and the union decides to strike. Both sides attempt to strengthen their positions by winning public support and weakening their opponents by creating an economic hardship for them.

Effects of Competition and Cooperation

Some of the early research on the effects of competition and cooperation claimed that cooperation produces higher levels of satisfaction and productivity than competition. For example, one classic study compared ten groups of five students each who met weekly to solve puzzles and discuss human relations problems.[1] In the five competitive groups the members competed with each other to see which member would receive the reward, while the five cooperative groups competed with other groups and all the members of the winning group received a reward. The reward consisted of being excused from writing a term paper and of receiving an A on the assignment. The groups were evaluated on how well they performed the tasks, how well they worked together as a unit, and how well each individual contributed to the group. The cooperative groups were judged to be superior in all three areas.

The harmful effects of competition are not as clear as this study suggests, however. In this study the cooperative groups had a cooperative relationship within the group, but they competed against the other groups. To understand the effects of competition and cooperation, therefore, the relationships both within the group and between groups must be carefully evaluated. The effects of competition have been examined on both productivity and satisfaction.

Competition and Productivity. Competition typically increases arousal and motivation, which leads to higher productivity. Workers who compete to finish their job first or to obtain the highest sales generally achieve higher levels of productivity. The enthusiasm and excitement accompanying a contest usually raises performance levels. As a general rule, competition increases productivity.

However, competition is not appropriate for interdependent tasks that require members to work together. A competitive reward system is not compatible with interdependent tasks because it produces behavior that interferes with the task performance. Committee meetings, for example, are interdependent activities where all members contribute ideas and express opinions. If the committee members compete to see who suggests the most ideas, everyone would talk at once and no one would be listening. Many sales jobs, however, are independent tasks, with sales representatives calling on customers in separate areas. Therefore, competition between the sales representatives should increase their performance.

Competition and Satisfaction. The effects of competition on satisfaction depend largely on the outcome of the situation and whether the competition is so intense that it destroys friendships. Competition tends to destroy interpersonal relationships by creating a feeling of antagonism, distrust, and dislike for the other person. But, these negative feelings are often overcome by positive aspects of participating and winning. Many situations, especially athletic contests, are mixed-motive conflicts that combine both competition and cooperation. In a tennis match, for example, both players are competing to see who wins, but unless they cooperate the match will never occur. The cooperation includes agreeing to play, deciding on a time and place, and following a set of consistent rules. If either player decides that the game is dissatisfying and not worth playing, the match will not occur.

Television sportscasting has popularized the phrase "the thrill of victory and the agony of defeat." Obviously, one of the major variables influencing satisfaction in competitive conditions is whether you

win or lose. Winning is fun, and the extrinsic rewards are only part of the satisfaction. In addition to the money, prizes, or trophies, there are intrinsic rewards associated with the thrill and elation from excelling in competition.

An important by-product of competition is personal feedback. In novel situations we don't know how well we are performing, so we compare ourselves with others. In some experimental situations, subjects have voluntarily changed a cooperative situation into a competitive situation just to have a basis for comparing their abilities. An explanation for why people choose a competitive situation is suggested by the theory of social comparison processes, which argues that the absence of information regarding the quality of our performance causes our self-esteem to be unstable. Therefore, we seek a competitive situation to obtain personal feedback. We measure our ability by comparisons with others and establish a level of aspiration from the feedback we obtain.

In summary, the effects of competition on satisfaction are determined primarily by the outcome of the competitive situation.[2] Since competitive situations present such a complex combination of rewards and punishments, it is very difficult to predict the final outcome. Although the winners are usually happy and the losers unhappy, many considerations influence the outcome. For example, if a work unit competes aggressively to determine which member will be promoted to a new position, both the winner and the losers may be very dissatisfied if the competition destroys the interpersonal relationships within the group. In contrast, Olympic athletes usually report that the competition was exciting and satisfying even though they lost. Just the thrill of being at the Olympic games and the privilege of representing their country was a satisfying experience in spite of the defeat.

Organizational Citizenship Behavior

When an employee voluntarily helps other employees with no promise of rewards, this behavior is called **organizational citizenship behavior (OCB)**. It is a form of altruism and consists of going above and beyond the formal job description and doing more than the job normally requires.[3] An example of organizational citizenship behavior is the help a group of high school English teachers voluntarily provided for another teacher who was absent for six weeks after surgery. While she was absent, her colleagues arranged to teach her classes during their preparation periods and they stayed after school to do their preparation. Although altruism is directed toward helping people, it indirectly benefits the organization. Some conditions encourage altruism, such being treated fairly, feeling accountable, perceiving a need, and observing the example of others.

Leader Fairness and Task Characteristics. Organizational citizenship behaviors are more likely to occur when employees are in a good mood than when they are in a bad mood. Research has consistently found a positive relationship between job satisfaction and the number of citizenship behaviors employees perform as reported by their supervisors.[4] There is some evidence to suggest, however, that OCB is determined by something more fundamental than their mood. It appears that employees appraise their working relationships and decide whether the conditions are fair enough to allow them to voluntarily help others without having others take advantage of them by expecting them to do more all the time and never reciprocating. To the extent that fairness does not exist, people will choose to contribute less and work according to the rules by doing only what is required.[5]

Similarly, the nature of the task can stimulate organizational citizenship behaviors. Intrinsically motivating tasks create a sense of responsibility that causes people to feel personally accountable for completing the job and doing it well. Their determination to succeed induces them to go beyond the formal job requirements when needed to achieve excellence in their work. Work is meaningful to the extent that it is perceived as personally and socially valued, especially if it directly improves the quality

of life and serves society. The internal satisfaction derived from performing a meaningful job rewards employees for doing more than just what is required.[6]

Personal Responsibility. Research studies on altruism have shown that people are more inclined to render assistance if they feel a personal sense of responsibility for taking action. When other people are present, a person does not feel the same degree of personal responsibility as when others are not present. In one experiment, for example, subjects thought a female experimenter fell to the floor and heard her scream in agony, crying out that her ankle had been hurt and she could not get the chair off her. Subjects who were alone responded to the call for help 70 percent of the time. By contrast, only 40 percent of the subjects who came in pairs offered help. Furthermore, if the other individual was actually an experimental confederate who acted as though nothing had happened, the number of subjects who rendered help dropped to only 7 percent.[7]

The presence of other people, however, does not necessarily eliminate the feeling of personal responsibility. A sense of personal responsibility can be created by asking people to be responsible. On a crowded beach, for example, an experimenter placed his blanket and portable radio next to a subject and a few minutes later asked the subject to watch his things while he went to the boardwalk for a few minutes. When another confederate attempted to steal the portable radio, 95 percent of the subjects attempted to intervene in the theft. If the subjects were not asked specifically to watch the experimenter's things, the number who responded directly dropped to only 20 percent.[8]

Character Development. Since altruism requires some degree of self-sacrifice in helping others, it is reasonable to expect people who behave altruistically to be relatively unselfish and emotionally mature. People who are more psychologically healthy and whose character is more developed are more inclined to help others. Character development has been shown to influence the motives of men in caring for their families and contributing at work. Men who are at higher stages of personality development are more committed to serving their families and their organization, and they will sacrifice some of their egoistic concerns for the benefit of others.[9] Similarly, research on why people willingly participate in voluntary activities has identified an altruistic motive that seems to apply to many types of voluntary activities. Some people are simply more predisposed than others to volunteer assistance.[10]

Models. Altruistic behavior appears to be particularly responsive to the example of others. Studies of both children and adults have found that charitable contributions and assistance to others increase when someone observes another person contributing or sharing. One study recorded how many male motorists stopped on a highway to assist a woman who was trying to change a flat tire.[11] The study found that motorists were much more likely to stop if they had recently passed a similar scene in which a male driver had stopped to help a woman change a tire. Those who had observed an altruistic model were more inclined to behave altruistically themselves.

A similar study looked at contributions to a Salvation Army collection box.[12] A much larger percent of the people were willing to contribute if they observed a model making a contribution. In fact, the percentage of people who contributed was just about as high when the model seriously considered the issue, even if he then decided not to contribute.

Perception of Need. People are more inclined to help another if they have a clear perception that the individual needs help. When the situation is ambiguous or uncertain, people tend not to help. Serious situations, in which a helpless victim is in dire need of assistance, may be ignored because people fail to appreciate the situation. However, as the need for assistance becomes increasingly apparent, the likelihood of helping increases. The more serious the plight, the more likely the victim is to receive help.

Studies have found that when people are in a hurry and have important business to perform, they are less likely to behave altruistically.[13] Part of the reason why they fail to help is that they think they are too busy and they assume someone else should lend assistance. But another part of the reason why they don't help is that they simply fail to notice the need for help or appreciate the seriousness of the situation.

Similar People. Since altruism is helping others when there is no anticipation of a reward other than our own good feelings, it should not be surprising to learn that people are more inclined to help those whom they like. Indeed, research has shown that greater help is given to those who are liked than those who are disliked. People seem to derive greater satisfaction from helping someone they admire and respect and for whom they have positive feelings. Since we tend to like people who are similar to us, we would expect people to be more inclined to help others who have similar personal characteristics. Indeed, studies have shown that people are more inclined to render assistance to those of similar race, dress, and appearance.[14]

Implications for Organizations. Studies on altruism and bystander apathy indicate that people are more inclined to behave altruistically when they feel a personal sense of responsibility for providing assistance, when they see others model helping behavior, when they have a clear perception of the need for rendering assistance, and when the person they are helping is someone they like. Managers who want to increase the frequency of altruistic responses should first set a proper example by modeling the behaviors they desire. Managers are usually very visible, high-status models who have a significant influence on the behavior of employees. A manager who makes a concerted effort to assist others communicates an important message that altruism is appropriate and desirable.

In addition to setting a proper example, managers should also communicate a personal responsibility for helping behavior. Employees can be told that they are specifically expected to go out of their way when necessary to help others in need. They can also be taught to look for specific cues that would indicate that their help is needed. In retail stores, for instance, employees can be encouraged to look for opportunities to help customers.[15]

The effectiveness of an organization is greatly influenced by its ability to obtain altruistic responses from its employees. When employees are willing to go out of their way to help each other, the work is performed more efficiently and a higher level of morale is maintained in the organization.

Cohesiveness

Before we discuss conflict, it is necessary to discuss cohesiveness and explain the causes and consequences of cohesive groups. Cohesiveness is the attraction group members have for each other and for the group as a whole. Some groups have an atmosphere of solidarity with common attitudes and behavior, while in other groups members possess only minimal interest in one another. Highly cohesive groups provide satisfaction for their members, who may in turn feel an intense loyalty and commitment to the group. Group cohesiveness contributes importantly to the degree of conflict or cooperation in an organization. This section identifies the causes and consequences of cohesive groups.

Factors Influencing Cohesiveness

Group cohesiveness is created by a combination of factors within the group as well as by factors in the external environment beyond the group's control.

Interpersonal Attraction. The most important variable influencing cohesiveness is the interpersonal attraction of members for each other.[16] People are attracted to others who are fun to be with and for whom they feel a mutual trust and respect. Individuals tend to be attracted to those of similar socioeconomic status, religion, sex, and age. Therefore, cohesiveness tends to increase as group members share common interests and attitudes toward religion, politics, and philosophical ideas. The key factor is that cohesiveness increases when people enjoy working with and being with each other.

Frequency of Interaction. Cohesiveness increases as group members have more opportunities to interact with one another. Frequent contact allows people to communicate more openly and develop greater interpersonal attraction for one another. The frequency of interaction can be increased by increasing the number of formal and informal meetings and physically moving people closer together.

The size of the group influences opportunities for interaction. As the group gets larger, it becomes increasingly difficult for the members to interact with or possibly even know other group members. As group size increases, therefore, cohesiveness tends to decrease. The optimal group size for maximum cohesiveness is probably from six to ten individuals.

Rigor of Initiation. Groups that are more elite in selecting new members and that require more rigorous and severe initiation rites tend to be more cohesive. Some organizations require new members to perform acts that are humiliating, physically exhausting, or perhaps illegal before they are accepted as full members. Fraternities, lettermen clubs, and youth gangs have been particularly noted for their severe initiation rites. Although these practices may be illegal and harmful, they tend to unite group members into a cohesive unit. Military organizations create cohesive groups by their rigorous training of new recruits in basic training. Universities foster a feeling of cohesiveness through a psychological initiation created by advertising rigorous admissions standards. Other organizations attempt to create the same perception by advertising that they only accept the cream of the crop. This practice is designed to make students and new employees feel they are part of a select group and their elite membership provides higher status and prestige for them.

Agreement on Group Goals. Groups tend to be more cohesive when the members agree on the purpose and direction of the group's activities.

Group Success. Successful groups tend to be more cohesive than unsuccessful groups. People are more attracted to winning groups than losing groups. If two sales units have been competing for a prize and one is declared the winner, the winning team will develop greater cohesiveness while the losing team may become less cohesive, depending on how they interpret their defeat. If they can blame defeat on an outside force, they may remain a fairly cohesive group. But if they blame other group members, their cohesiveness will decline.

Outside Threats. Groups facing an outside threat will often close ranks and form a more cohesive unit. Intergroup competition usually provides an outside threat, causing the group to become more cohesive. Threat is an effective means of producing cohesiveness when the following conditions exist: (1) the threat comes from outside the group; (2) there is little chance for escape; and (3) cooperation is necessary to resist or overcome the threat.

Sometimes leaders attempt to create a more cohesive group by convincing the members that they face a serious external threat. Coaches and military officers often talk about the power of the enemy as a way of creating greater cohesiveness within their unit. Political leaders and business executives talk about the dangers of foreign competition, high interest rates, and a bad economy for similar reasons. Labor union leaders try to develop cohesiveness by convincing union members that management is trying to destroy

the union and their jobs.

Consequences of Cohesiveness

Cohesive groups generally achieve better results than noncohesive groups. However, the effects of cohesiveness are not universally positive and need to be examined with respect to four aspects of group functioning: participation, conformity, success, and productivity.

Participation. Cohesive groups elicit greater levels of participation from group members. Because of their attraction for the group, individuals are willing to devote more time and energy to group activities. A highly cohesive work group, for example, may interact more frequently on the job and even meet informally in recreational activities off the job. For example, some cohesive work groups form bowling teams, softball teams, and other interest groups, which sometimes dominate their lives away from work, particularly when a local tournament is held.

Members of cohesive groups generally spend more time communicating with each other than non-cohesive groups do. This increase in communication and participation serves to further strengthen the cohesiveness within the group. In other words, increased communication and participation increases the interpersonal attraction and cohesiveness the members feel for each other, and increased cohesiveness, in turn, leads to greater communication and participation.

Conformity. As discussed in Chapter 11, cohesive groups create intense pressures for conformity. Because of the attraction of the group, people value their group membership and are willing to conform to the group's norms and expectations. As groups become more highly cohesive, group norms become more clearly specified, and the behavior of group members conforms more closely to these norms. One of the ways cohesive groups enforce conformity is through greater communication. As they become more cohesive, they communicate more openly and create more explicit expectations regarding acceptable behavior. In groups that are not very cohesive, members can sometimes express deviant views without repercussions or challenges. In a highly cohesive group, however, deviant attitudes are not acceptable, and other group members try to reform the deviant members. Those who refuse to change are ostracized.

Success. Successful groups tend to be more cohesive, and cohesive groups also tend to be more successful.[17] On interdependent tasks requiring cooperation, cohesive teams are generally superior because they work well together. Winning athletic teams often attribute their success to teamwork. Although their success is probably due to more than just cohesive teamwork, their cohesiveness contributes importantly to their success.

Productivity. Because cohesive groups tend to elicit more conformity, more participation, and more communication, shouldn't they also be more productive? Studies on the relationship between cohesiveness and performance indicate that highly cohesive groups are not always the most productive. For example, a major review of thirty-four studies of cohesiveness and productivity found that the rela-tionship was neither direct nor simple.[18] Eleven studies found that cohesiveness and productivity were unrelated; another eleven studies found that more cohesive groups were less productive; and only twelve studies found that cohesive groups were more productive. The studies involved a wide variety of groups, including radar crews, decision-making groups, basketball teams, combat units, bomber crews, factory workers, college students, nurses, and forest rangers.

There is a good reason why highly cohesive groups are not always the most productive. Cohesive groups would only be expected to be highly productive if the group norms support high productivity and are consistent with the organization's goals. If the group's goals are inconsistent with the organization's goals,

a highly cohesive group may be counterproductive and may engage in such activities as sabotaging the organization or avoiding work.

The relationship between performance and cohesiveness is illustrated in Exhibit 12.2. The performance of non-cohesive groups tends to be about average, but the performance of highly cohesive groups may be high or low depending on the performance norms of the groups. If a cohesive group has high performance norms, the members will accept the group norms and be highly productive. A cohesive group with low performance norms, however, will have low performance.

EXHIBIT 12.2   Relationship Between Performance, Cohesiveness, and Group Norms

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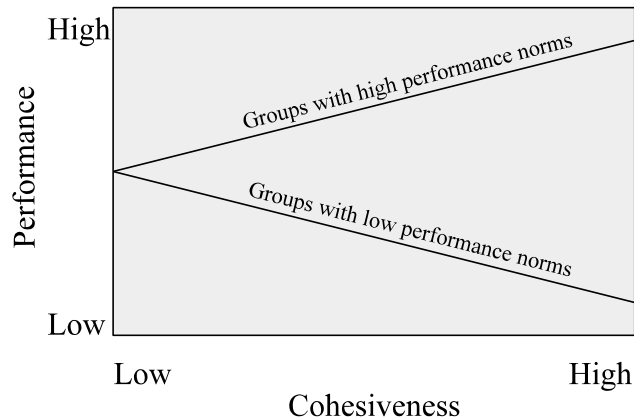
Another characteristic of cohesive groups is that there is usually less variation in the performance of individuals. Highly cohesive groups tend to have members who all perform at the same level, while non-cohesive groups may have both high producers and low producers within the group.

Three additional reasons have been suggested to explain why cohesive groups are not necessarily more productive. One reason is that cohesive groups tend to spend more time socializing than working because they enjoy being with each other. If work interferes with visiting, a highly cohesive group may sacrifice some of their working time to spend more time visiting. Another reason why cohesive groups may perform more poorly is because they may be subject to "groupthink," a phenomenon described further in Chapter 16 that refers to rigid thinking controlled by the group. The desire to maintain a cohesive group may prevent members from challenging ideas and confronting issues and thereby cause cohesive groups to make bad decisions. Furthermore, as groups become more cohesive, they tend to become more conservative in their approach to solving problems and less willing to take chances. As a result, the group may produce less creative solutions to their problems.

Conflict And Organizational Performance

Like competition, conflict occurs when two or more parties engage in activities that are in some sense incompatible. Both parties cannot win, and the success of one prevents the other from achieving success. Although we often talk about competition and conflict as though they were the same, they differ in the degree of self-interest displayed by each side. This small difference has important consequences for the success of a group or an organization.

Competition does not involve direct action by one party to interfere with the activities of the other. With conflict, however, one party tries to prevent or inhibit the success of the other. This difference is clearly illustrated in sports. Track events are examples of competition rather than conflict since each runner attempts to run faster than the others but no one is allowed to trip or interfere with the others. In contrast, games of football, hockey, and rugby involve both competition and conflict because each team acts directly to interfere with the activities of the other. The degree of conflict is limited by the rules of the game, and penalties are assessed when players violate the rules.

Conflict designed to destroy the other party is not uncommon in organizations. Price wars involve conflict between organizations, with one company trying to drive its competitors out of business. Conflict between union and management sometimes becomes so intense that the union forces the company to go out of business by making unreasonable demands, and management tries to destroy the union by refusing to accept an agreement or hiring replacements. Conflict between nations that could result in nuclear war probably represents the epitome of conflict.

Social conflict, then, is a struggle in which the aims of the conflicting parties are not only to obtain the desired outcomes, but also to injure or eliminate their rivals. Intense conflict involves not only hindering one's opponents but also injuring and retaliating against them.

Functional and Dysfunctional Conflict

Many people believe that all conflict is dysfunctional and that efforts should be made to eliminate it. This common belief is wrong, however. Some conflict is inevitable in every organization because of the inherent struggle for organizational survival. Every organization exists within an environment that requires organizations to compete for limited resources. Even within friendly work groups there are limited resources that create some degree of conflict, regardless of how cooperatively the members try to allocate resources. Furthermore, all conflict is not bad because some conflict situations produce desirable results. Therefore, a distinction needs to be made between functional and dysfunctional conflict.

Functional Conflict. Functional conflict is a confrontation between two parties that improves or benefits the organization's performance. For example, two divisions of a public health agency may be in conflict over which should be allowed to serve a neighborhood. In their attempts to prove they are better prepared to provide the service, both divisions may create new services and improved methods of delivery that benefit not only the neighborhood in question but other areas as well.

Studies have suggested that some conflict not only helps but may be a necessary condition for creativity. Experimental studies have shown that heterogeneous groups whose members represent a diversity of opinion produce better solutions and more creative ideas.[19] These studies on group decision making have led theorists to conclude that conflict may produce many positive benefits for organizations if it is properly managed. It has been suggested, for example, that functional conflict can lead to the discovery of more effective ways to structure an organization, better recognition of the strategic changes necessary for survival, and a better accommodation and acceptance of the power relationships within and between organizations.[20]

At the individual level, functional conflict can create a number of desirable consequences. Individuals require a certain level of stimulation and excitement to feel enthusiastic about their work. Within certain limits, conflict produces an element of tension that motivates individuals to action.[21] Channeling this level of tension can produce high levels of productivity and satisfaction. It has been suggested that conflict contributes to personal interest, curiosity, and the full use of individual capacities. To produce the desired results, however, the conflict must somehow be limited or contained to appropriate levels of intensity.

Otherwise, dysfunctional consequences occur.

Dysfunctional Conflict. Dysfunctional conflict is any interaction between two parties that hinders or destroys the achievement of organizational or group goals. Some organizations are prepared to handle higher levels of conflict than others, such as professional sports teams, crisis organizations, police and fire departments, and commodity traders. Most organizations, however, have more conflict than is desirable, and performance would improve if the level of conflict was reduced. When conflict becomes too great, the performance of every organization begins to deteriorate. In research and development companies and universities, for example, intense conflict destroys the working relationships between members and seriously reduces the level of organizational performance.

The relationship between conflict and organizational performance is illustrated in Exhibit 12.3. Organizational performance is low when the level of intergroup conflict is either extremely high or extremely low, while moderate levels of intergroup conflict contribute to high organizational performance. When the level of conflict is too low, such as at point A on the curve, performance suffers because of a lack of arousal and stimulation. Individuals find their environment too comfortable and complacent, and they respond with apathy and stagnation. When they are not challenged and confronted, they fail to search for new ideas, and the organization is slow to adapt to environmental changes. Yet when the level of conflict is extremely high, performance suffers because of inadequate coordination and cooperation. The organization is in a state of chaos because of disruption and interference to crucial activities. Individuals spend more time defending themselves or attacking others than accomplishing productive work.

Maximum organizational performance occurs somewhere between these two extremes, where there is an optimal level of intergroup conflict. In this situation, at point B on the curve, there is sufficient conflict to stimulate new ideas and a creative search for solutions to problems. However, the conflict is not so great that it prevents the organization from moving effectively toward its goals. Individuals and groups need to assess their situations and adapt to environmental change. Such adaptation may produce innovation and creativity.

Studies of Conflict

Conflict has been a very popular research topic and much of the research comes from two research methods: the prisoner's dilemma game and the trucking game. These two designs have been very popular because they allow experimenters to obtain extensive data in a short time from many subjects, and the experimental conditions can be easily varied in a controlled situation. A classic study by Muzafer Sherif called the Robber's Cave experiment has also contributed greatly to our understanding of conflict. The results of these studies will be discussed in later sections after the research methods have been described.

 EXHIBIT 12.3 Relationship Between Conflict and Organizational Performance
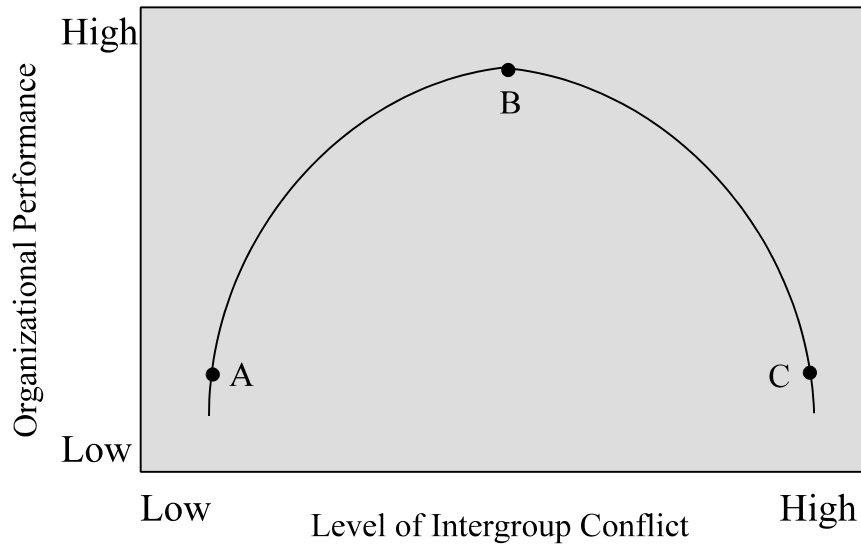
The Prisoner's Dilemma Game. A convenient method for studying conflict between two people is to present them with a two-by-two payoff matrix, similar to the one shown in Exhibit 12.4, and ask them to choose either response 1 or response 2. If person A and person B both choose response 1, B will receive four points while A loses four points. This payoff matrix is called a *zero-sum* or *pure conflict* situation because what one person gains the other loses. **Zero-sum conflicts** occur in organizations whenever the rewards to one group cause losses to another group, such as budget allocations, territorial assignments, and staffing decisions that reassign employees to different departments.

EXHIBIT 12.4   Payoff Matrix for a Zero-Sum or Pure Conflict Situation

		Person A	
		a_1	a_2*
Person B	b_1*	+4, -4	+1, -1
	b_2	+7, -7	-6, +6

Many organizational situations, especially interpersonal interactions, are not zero-sum situations because both parties can win by cooperating but one can win more at the expense of the other person by not cooperating. The numbers in the payoff matrix can be changed to create a *mixed-motive* situation. In these situations people can either maximize their own personal gains or maximize the gains for both parties. One mixed-motive situation, called the **prisoner's dilemma game**, concerns two suspects who are taken into custody and placed in separate cells. The district attorney is certain they are guilty of a specific crime but does not have adequate evidence to convict them in a trial. The district attorney tells the prisoners, however, that they have two alternatives: they can confess or not confess. If neither confesses, the district attorney threatens to prosecute them on a minor charge and they will both receive minor punishments. If they both confess, they will be prosecuted but the district attorney will recommend a light sentence. But if one confesses and the other does not, then the confessor will receive lenient treatment for providing evidence whereas the latter will receive a severe sentence.[22]

The payoff matrix for the prisoner's dilemma is illustrated in Exhibit 12.5. If the prisoners trust each other and neither confesses, they will each receive only a one-year sentence. But if only one confesses and testifies against the other, that one will receive an even lighter sentence of only three months while the partner receives a ten-year sentence. The essential features of this and other mixed-motive situations is that one person's gain is not necessarily the other person's loss and motives of both cooperation (not confess) and conflict (confess) are involved.

EXHIBIT 12.5   Matrix for the Prisoner's Dilemma Mixed-Motive Payoff

|		Person A	
		Not confess	**Confess**
Person B	**Not confess**	**One year each**	**3 months for A** **10 years for B**
	Confess	**10 years for A** **3 months for B**	**4 years for each**

The Trucking Game. In the trucking game, pairs of subjects are asked to imagine that they are managers of opposing trucking companies that transport merchandise over a road. One player's company is called Acme and the other's is called Bolt. Both players are told that each time their truck completes a delivery trip they will make sixty cents less their operating expenses, which are determined by the time required to complete the trip (one cent per second). Thus, a trip taking 20 seconds would earn the company forty cents.

The players are then shown a road map, illustrated in Exhibit 12.6, which indicates each player's starting point and destination. Each player has two routes; the main route is clearly the shortest but contains a section in the middle wide enough for only one truck at a time. If the two trucks meet in this section, the only way either truck can continue is for the other truck to back up. The alternate route is much longer, and the subjects are told they will lose at least ten cents if they take this route. In playing this game, the two players experience conflict because each knows the only way to win money is to use the one-way pass, but only one person's truck can move down that section at a time. If either player waits to allow the other to pass first, the one who waits makes less money than the one who goes through first.

In some experiments, the trucking game was modified slightly to study the effects of threat. At each end of the one-lane section, a gate was installed. Each gate was controlled by one player and only that player's truck could pass through the gate. In conditions of unilateral threat, only one player had a gate while in conditions of bilateral threat, both players had access to a gate.[23]

The trucking game was typically played over twenty trials, which allowed the experimenters to observe the degree of cooperation or conflict of the subjects and the effects of threat on conflict resolution.

EXHIBIT 12.6   Diagram of the Trucking Game
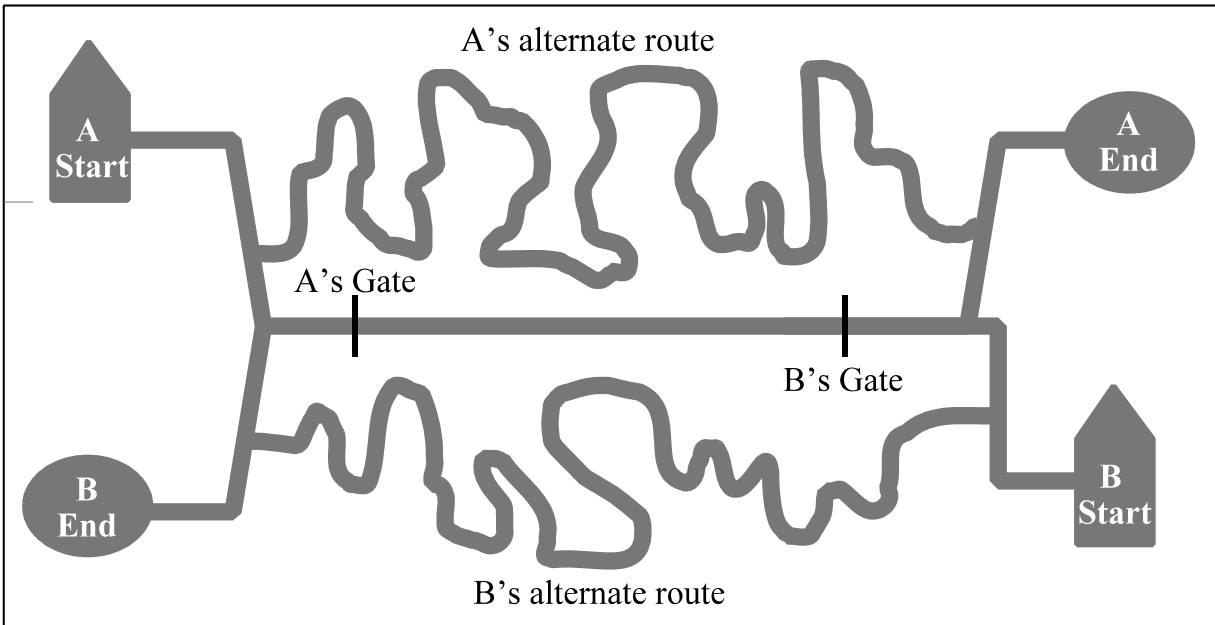
The Robber's Cave Experiment. The effects of conflict have been studied extensively by observing the interactions of groups in a natural setting. Some of the most well-known studies in conflict were conducted by Carolyn and Muzafer Sherif and their colleagues, who observed the interactions of boys in summer camps in Connecticut (1949), New York (1953), and Oklahoma (1954). The 1954 experiment in Oklahoma is sometimes called the Robber's Cave experiment, referring to the name of the campsite where the two groups of boys stayed.[24]

The boys in each camp were divided into two groups and given a week to develop intragroup cohesiveness. Each group participated in activities that stimulated cooperation. They lived together in bunk houses, cooked their own meals, cleaned their own campsites, and organized their own activities and games. During the first week, each group became a cohesive unit with its own leadership structure and group norms. The groups were originally assigned the name of a color to differentiate them, such as the Blue Group, but each group quickly coined its own name, such as Eagles, Rattlers, and Bulldogs. After the first week, the two groups were brought together to compete for prizes and participate in games of football, tug-of-war, and baseball. They competed to see which team could have the best skit, have the cleanest cabin, or pitch a tent faster.

The effects of bringing the groups together and introducing competition were striking. The peaceful camp environment was quickly turned into a miniature battleground as the two groups began to attack and insult each other. Derogatory terms, such as "pigs," "dirty bums," and "jerks," were used to describe the rival team. Posters were made insulting the other team, and the opposing team's flags were stolen and mutilated. Incidents of open warfare occurred as food fights erupted in the dining hall and artillery attacks were staged in the surrounding fields using apples as ammunition. A variety of competitive and cooperative activities were introduced in the boys' camps to examine their effects on stimulating or reducing the level of conflict.

Causes of Intergroup Conflict

Studies on conflict suggest that conflict can be created by a variety of situations. Some of the most

important causes of conflict include task interdependence, goal incompatibility, the use of threats, group identification, and win-lose attitudes.

Task Interdependence

Task interdependence occurs when two or more groups depend on each other to accomplish their tasks, and the potential for conflict increases as the degree of interdependence increases. Three types of task interdependence have been identified: pooled interdependence, sequential interdependence, and reciprocal interdependence.

A condition of **pooled interdependence** occurs with additive tasks when the performance of different groups is simply combined or added together to achieve the overall performance.

Sequential interdependence occurs with conjunctive tasks when one group cannot complete its task until the preceding group has finished. In assembly line manufacturing, for example, the products must first pass through department A before they can proceed to department B.

Reciprocal interdependence also occurs with conjunctive tasks when each group depends on the performance of the other groups. A depends upon B and C, while B and C depend on each other as well as A. Reciprocal interdependence occurs in many organizations, such as the various departments in a hospital: the x-ray unit, the blood laboratory, the nursing unit, the emergency center, and the anesthesiology staff all depend on each other to provide skilled patient care.

Goal Incompatibility

Although managers try to avoid having incompatible goals for different organizational units, inherent incompatibility sometimes exists between groups because of their individual goals. The goal of a production department is to have low production costs with long production runs, which means fewer models, colors, and styles. These goals conflict with the aim of the marketing department, which attempts to increase sales by promising customers unique products in a unique style and color with a quick delivery. The marketing department also wants to allow customers to pay nothing down and have the first payment postponed for six months. The credit department, however, wants to have cash in hand before the product is shipped.

The likelihood of conflict increases in conditions of scarcity. When resources such as money, space, labor, or materials are limited, the groups are forced to compete for them in a win-lose competition that frequently results in dysfunctional conflict. The Robber's Cave experiment indicated that little conflicts typically lead to larger conflicts. After the competitive sports had concluded, for example, the boys escalated the conflict by food fights, scuffles, and taunting insults.

Use of Threats

The level of conflict appears to increase when one party has the capacity to threaten the other. The effects of threat were studied in the trucking game by giving one or both players access to a gate. The results indicated quite dramatically that the quickest resolution to the problem and the best payoff for the players occurred when neither player bad access to a threat. In fact, the players were able to obtain a profit only in the no-threat condition.[25] The slowest resolution occurred when both players could threaten. Therefore, the absence of threat seems to encourage players to cooperate more and develop a compatible, cooperative relationship. However, when they have access to threats, the evidence seems to show that the players not only communicate the threat, but actually use it.

Group Identification

When two groups are competing for scarce resources, it is easy to understand why conflict would occur. Both groups are striving for the same goal, and only one can obtain it. Research has shown, however, that a competitive situation is not necessary for conflict to exist. Simply assigning people to different groups and allowing them to develop a feeling of cohesiveness is all that is necessary for conflict to result. As the groups become more cohesive, the intergroup conflict increases. One of the major conclusions of the Robber's Cave experiment was that conflict between the groups was a natural outcome of group cohesiveness. The feelings of solidarity and in-group favoritism seem to contribute to unfavorable attitudes and negative stereotypes of the out-group. This suggests that a feeling of hostility and criticism could exist between two groups who work side by side in an organization, even though there is no interaction between the two groups and they do not compete for scarce resources. And as these two groups become more cohesive, the potential for conflict between them increases.

Win-lose Attitudes

When two groups interact in zero-sum competition, it is easy to understand why conflict occurs. Whatever one group wins, the other group loses. Unfortunately, many situations are perceived as win-lose situations when in reality they are not. Industrial conflict frequently pits union against management, with each side bargaining for a larger share of dwindling profits. Rather than fighting for a larger share of a smaller pie, management and union ought to be cooperating to increase the size of the profit pie.

Although win-lose situations do not have to occur, they appear frequently when any of these conditions exist:

—When someone defines or interprets the situation as a win-lose conflict
—When one group chooses to pursue its own goals
—When one group understands its needs but publicly disguises them
—When one group attempts to increase its power position
—When one group uses threats to obtain submission
—When one group overemphasizes its needs, goals, and position
—When one group adopts an attitude of exploiting the other group whenever possible
—When one group attempts to isolate the other group

Getting two groups to change from a win-lose attitude to a win-win attitude is a difficult task because the groups develop perceptual stereotypes that reinforce their win-lose attitudes. Furthermore, rather than communicating openly, their communication becomes guarded or discontinued, which further reinforces a win-lose attitude. Research using the prisoner's dilemma game found that if the parties were able to communicate before they made their decisions, the level of cooperation increased. Cooperation also increased when the numbers in the payoff matrix were changed to reward players for cooperating.

A very interesting conclusion from the prisoner's dilemma game is that cooperation did not increase just because one player decided to cooperate. Several studies attempted to analyze how subjects would respond to a pacifistic partner who constantly made cooperative choices. The experiments found that subjects tended to exploit a pacifistic partner who continually made cooperative choices. This exploitation occurred even when the other player's consistent cooperation was explained in terms of religious convictions or personal morality.[26] At least in the laboratory, unconditional cooperation does not create reciprocal cooperation. Instead, it seems to lead to exploitation.

The most effective strategy for obtaining cooperation was the strategy of conditional cooperation. Here one partner first makes a cooperative move and continues to make cooperative responses as long as the

other responds cooperatively. If the cooperative initiative is met with aggression, however, the aggression is reciprocated; on a later trial, the cooperative response is again taken on the same conditional basis.[27]

Consequences of Intergroup Conflict

The consequences of intergroup conflict can be summarized in one simple statement: conflict begets conflict. When conflict occurs, the consequences of this conflict frequently lead to further conflict and create a vicious cycle of spiraling conflict. The consequences of intergroup conflict can be analyzed in terms of the changes that occur both within the group and between groups.

Changes Within the Group

When two groups are involved in intergroup conflict, the following changes are likely to occur within each group.

Increased Cohesiveness. Conflict, competition, and external threats usually cause group members to set aside their personal differences and close ranks. Group members become more loyal to the group and committed to its goals. Group norms are followed more closely, and less deviation is tolerated.

Increased Loyalty. When one group is threatened by another group, both groups will demand greater loyalty from their members. Deviant behavior is not tolerated, and friendliness with members of the opposing group is viewed with suspicion if not hostility. Personal sacrifice for the group is highly rewarded and expected. Group goals take precedence over individual satisfaction as members are expected to demonstrate their loyalty.

Rise in Autocratic Leadership. In normal conditions, democratic leadership methods are popular because they allow group members to participate in making decisions and to satisfy their needs for involvement and affiliation. In extreme conflict situations, however, democratic leadership is generally perceived as time consuming and ineffective. Members demand strong leadership and not only tolerate but seem to prefer autocratic leaders.[28]

Activity Orientation. Groups in conflict tend to focus on achieving their goal. Groups are more concerned about identifying what it is they do well and then proceeding to do it. Group members are not allowed to visit or waste time if these activities reduce the group's effectiveness in defeating the enemy.

Inflated Evaluation. The perceptions of group members become distorted as they tend to over-evaluate their own performance and under-evaluate their opponent's performance. Everything within the group is considered good, and a general halo effect tends to bias and inflate the group's perceptions of its members.

Changes Between Groups

Intergroup conflict creates three predictable changes between the groups.

Decreased Communication. At the time when the groups are most in need of open communication to enable them to discuss the problem and resolve the conflict, the communication processes become most strained. As the conflict increases, communication tends to decrease. Both groups tend to be more guarded in their communication. Rather than openly confronting the problems, each side becomes more

cautious and formal. The frequency of communication between the two groups continues to decline until it finally breaks down entirely.

Distorted Perceptions. Conflict creates suspicion and prevents people from accurately perceiving the behaviors and motives of the other party. People think everything about their own group is good while everything about the opponent group is perceived as bad. These distorted perceptions are created, in part, by negative stereotypes. The distorted perceptions cause members in each group to misperceive the others' intentions and misinterpret their communications. The performance and success of the other group is under-evaluated and minimized. Even simple estimates of factual information, such as time estimates, can be enormously distorted by conflict. In the Robber's Cave experiment, for example, a tug-of-war was declared a tie after 55 minutes. When the members of the group on the verge of victory were asked to estimate the actual time of the tug-of-war, the estimates ranged from 20 to 50 minutes. However, the group that was on the verge of losing estimated the time from 65 to 210 minutes. Many other factual observations were distorted, making the in-group look good and the out-group look bad.

Negative Stereotyping. Group members in one group tend to create negative stereotypes regarding the opposing group. Negative characteristics are used to describe the opposing group, such as greedy, dishonest, unethical, and unfriendly. In a labor-management conflict, for example, management typically views labor leaders as greedy agitators who are out to destroy the company. And union leaders tend to view management as greedy profit grabbers who are trying to exploit labor and keep all the rewards.

Resolving Intergroup Conflict

The dynamics of interacting groups is such that conflict begets conflict. Unless something is done to reverse the process, the two groups will be the victims of a spiraling escalation of conflict. Conflict causes each group to become more cohesive and task oriented, with a rigid structure and an autocratic leader. Individuality is replaced by loyalty as each group demands greater unity within the group. The cohesiveness, loyalty, and task orientation within each group only contributes to more biased perceptions, negative stereotypes, hostility, and aggression between the groups.

Because conflict is inherent in complex organizations, managers must be capable of resolving it before dysfunctional consequences destroy the organization's effectiveness. The ability to resolve conflict is a valuable managerial skill. The most popular strategies for reducing conflict can be classified into four categories: (1) avoidance strategies, (2) power intervention strategies, (3) diffusion strategies, and (4) resolution strategies. Although the most effective strategy depends in part on the situation and the time available for resolving the conflict, the following strategies are arranged in order from generally least effective to most effective.[29]

Avoidance Strategies

Avoidance strategies generally disregard the cause of conflict but allow it to continue only under controlled conditions. Two types of avoidance strategies include ignoring the conflict and physical separation.

Ignore the Conflict. If the conflict is not too severe and the consequences are not very costly, managers frequently prefer to ignore it and pretend that it doesn't exist. Some managers think conflict reflects badly on the organization, so they ignore the conflict and hope it will eventually resolve itself. Because the

sources of conflict are neither identified nor resolved, however, this strategy is seldom effective. Instead, the situation continues to worsen over time.

Physical Separation. If two combative groups are physically separated, the likelihood of open hostility and aggression are reduced. Unless the source of the conflict is eliminated, however, acts of sabotage and aggression may continue. Physical separation is generally an effective strategy only when the two groups do not need to interact and the separation eliminates the symptom of the conflict. If the two groups are required to interact, however, separating them only contributes to poorer performance.

Power Intervention Strategies

When two groups are unable to resolve the conflict on their own, some form of **power intervention strategies** may be used. The source of power may come from higher levels within the organization in the form of regulated interaction, or the power may come from political maneuvering by either of the groups.

Regulated Interaction. When the conflict becomes too great to ignore, higher-level managers may become irritated and impatient and try to resolve the conflict by authoritative command. "All right, you guys, that's the end of it, no more!" In addition to the unilateral decree that the conflict will go no further, the command may be accompanied by threats such as termination or transfer to a different group. Higher-level officers may also establish rules and procedures that limit the conflict to an acceptable level. This procedure, sometimes called *encapsulating* the conflict, occurs when managers establish specific rules and procedures regulating the interactions between the groups and defining their relationship.

Political Maneuvering. The two groups may decide to end the conflict by some form of political maneuvering in which one party attempts to accumulate sufficient power to force compliance on the other party. A democratic process is often used to settle the issue by bringing it to a vote. Both groups try to sway the outcome of the balloting by soliciting outside support and encouraging marginal opponents to defect to their side.

A difficulty with trying to encapsulate the conflict or vote on the issues is that these strategies typically tend to intensify win-lose situations. The source of the conflict has not been eliminated, and both parties feel a greater commitment to their position. Even after fair elections, the losers may feel resentment and continue to oppose the winners.

Diffusion Strategies

Diffusion strategies try to reduce the level of anger and emotion and buy time until the conflict between the two groups can be resolved. Diffusion strategies generally focus on surface issues rather than strike at the roots of the conflict. Three diffusion strategies have been used to reduce the level of emotion: smoothing, compromise, and identifying a common enemy.

Smoothing. The process of smoothing involves accentuating the similarities and common interests between the two groups and minimizing or rationalizing their differences. Stressing the similarities and common interests helps the groups see that their goals are not so far apart and there is something to be gained by working together. Although smoothing may help the groups realize they have common interests, it is only a short-term solution when it fails to resolve the basic underlying conflicts.

Compromise. Compromise strategies between two groups involve bargaining over the issues, and they require some degree of flexibility on the part of both sides. If the parties are so inflexible that they are not willing to concede, the negotiation will reach a stalemate and the conflict will continue. Once a

compromise solution has been negotiated, the two groups should be able to work together harmoniously. Frequently, however, compromise decisions are inferior solutions, and neither side is happy with the settlement. With labor-management negotiations, for example, both sides may be unhappy with the current labor agreement, and even though they agree to live with it, they criticize each other and try to increase their power position for the next negotiations.

Identifying a Common Enemy. When two groups face a common enemy, they often develop a degree of cohesiveness between them as a means of protection. Differences of opinion and intergroup rivalry may be temporarily suspended while the two groups unite to defeat a common opponent. In the Robber's Cave experiment, the conflict between the two rival boys' groups was temporarily suspended by the challenge from another camp to an all-star baseball game. The best players from both sides were selected to form the all-star team, and the members of both groups directed their attention toward defeating the rival camp. In this experiment, however, it was noted that identifying a common enemy did not reduce the overall level of conflict. A high level of conflict still existed, but now it was directed at another source. When the common enemy was no longer present, the conflict between the two groups once again emerged. The conflict had not been resolved; it had only been suspended. Labor and management, for example, frequently face external threats in the form of foreign competition, government regulation, and declining sales. Although they may work together cooperatively in the face of these outside threats, the basic sources of the conflict have not been resolved, and conflict will soon reappear.

Resolution Strategies

The most effective method of resolving conflict is some form of resolution strategy that identifies the source of the conflict and resolves it. Research seems to indicate that resolution strategies are the most effective. One study investigated the conflict resolution styles of seventy-four managers. The least effective managers tended to ignore the conflict, while the most effective managers confronted the conflict directly by bringing the conflicting parties together to decide how to best meet the overall organizational goals.[30] Four types of resolution strategies include intergroup interaction, superordinate goals, problem solving, and structural change.

Intergroup Interaction. Since one of the consequences of intergroup conflict is a reduction in communication and interaction between groups, it would seem that bringing the groups together and increasing the contact between them would help to reduce the conflict. Unfortunately, when combative groups are brought together, the members of both groups are likely to use the occasion to demonstrate their loyalty for their own group and their dislike for the other. In the Robber's Cave experiment, for example, when the boys were required to eat together, rather than developing new friendships they used the occasion to express their hostility by throwing food.

Sometimes it is not good to bring warring groups together. A better strategy is to bring the leaders of both groups together to listen to the other group's position. When these discussions occur in private and the leaders are able to express their own opinions freely, the discussions are usually quite fruitful and represent an important first step in resolving the level of conflict. When the discussions are held in public, however, the leaders are expected to represent their own group. Consequently, the leaders are often more interested in looking good and impressing their constituents by being tough and combative rather than trying to resolve differences of opinion.

Another strategy is to exchange members for a period of time. Three members of the sales force, for example, could trade roles with three members of the credit department for a few weeks to help each group get a better understanding of the problems the other group faces. Another means of developing

greater understanding is to share propaganda rather than members. For example, the members of each group could be asked to describe on paper their feelings toward the other group, along with a list of criticisms and suggestions. The groups could then exchange lists and respond to any questions or comments. This process of sharing information could continue until the emotional feelings are sufficiently diffused to allow the groups to work together in face-to-face problem solving.

Superordinate Goals. A superordinate goal is a goal that is more important to both parties than the relatively minor issues causing the conflict. In labor-management negotiations, for example, both sides may strongly disagree about the work rules and the number of paid vacation days but strongly agree about the survival of the company. If the company is unprofitable and cannot survive, work rules and paid vacations become meaningless issues. Using superordinate goals to resolve conflict involves three conditions. First, the groups must perceive their mutual dependency on each other; second, the superordinate goal must be highly desired by each group; and third, both groups must expect to be rewarded for accomplishing the goal.

Working to achieve a superordinate goal is a powerful motivation for the groups to resolve their basic differences and work together cooperatively. In the Robber's Cave experiment, for example, a series of superordinate goals were created. These goals were important to both groups and required joint cooperation such as fixing a break in the camp water supply, selecting a movie, pushing a stalled truck supplying camp food, and preparing a joint meal. By cooperating in these tasks, the level of tension and hostility between the two groups was reduced and feelings of cooperation and friendship were created.

Problem Solving. A joint problem-solving session is an effective resolution strategy if the two groups focus their attention on the problem rather than arguing about who is right or wrong or using the situation to get even. A problem-solving session usually involves a face-to-face meeting of the conflicting groups to identify the source of the problem and develop alternative solutions for solving it. This strategy is most effective when a thorough analysis of the problem can be made, when points of mutual interest are identified, and when alternatives are suggested and carefully explored. The disadvantage of this strategy is that it requires a great deal of time and commitment. Furthermore, if the conflict originates from value-laden issues and if people are emotionally involved, the tension may prevent them from progressing satisfactorily to an acceptable solution.[31]

Structural Change. Conflicts are frequently caused, or at least encouraged, by the way an organization is structured. Creating a marketing department, for example, means that a group of people will work together to solve marketing problems and plan a marketing strategy. As they become more specialized in their marketing functions, they will focus to a greater extent on marketing goals and disregard the goals of other departments. Other specialized groups in the organization develop an equally narrow focus. Some groups become so highly specialized, in fact, that they lose sight of the organization's goals and focus exclusively on their own group goals. Furthermore, the reward structures in organizations frequently recognize and reward group members for pursuing their group goals rather than organizational goals.

In these situations, an effective strategy for reducing conflict is to change the organizational structure. By emphasizing total organizational effectiveness rather than group effectiveness, cooperation rather than competition can be promoted.[32] Groups can be recognized and rewarded for their contribution to the effectiveness of other groups, and altruistic behavior across group lines can be encouraged. By reorganizing the departments and establishing clear, operational, and feasible goals for the organization, the source of conflict can be removed. For example, members of a marketing department could be assigned to specific projects so that they feel an allegiance not only to the marketing department but also to other departments and programs.

Creating Functional Conflict

While some organizations experience too much conflict, others would be more productive with more conflict. As conflict increases, individuals typically experience greater arousal and levels of motivation. Therefore, in a lethargic organization where ideas have become stale and behavior has become routine, greater conflict may be needed to generate creative ideas and motivate people to higher levels of performance. Four of the most popular methods for creating functional conflict in organizations include altering the communication flow, creating competition, altering the organizational structure, and recruiting outside experts.

Altering the Communication Flow. Information is a source of power in organizations, and conflict can be created by sharing or withholding information, especially if it is evaluative information. Managers rely on the information they receive to assess the performance of their group. This information may or may not be shared with other group members. Higher levels of conflict and concern for the performance of the group can be created by altering the communication flow so that group members know how well they have performed and what is expected of them. Higher performance expectations can be created by showing groups how well they perform relative to other groups in the organization or by simply suggesting that they should do better. Some managers use the informal grapevine to create conflict by leaking confidential information and false rumors. Leaking false information, however, is not recommended because of its long-term consequence of destroying confidence.

Creating Competition. A competitive environment can be created by offering rewards to the individual or group with the best performance. If they are used properly, financial incentives and other extrinsic rewards can maintain a healthy atmosphere of competition that contributes to functional conflict. The rewards offered to the winners need to be sufficiently attractive and probable to motivate high performance, while those who lose should not feel that their defeat is a catastrophic loss.

Altering Organizational Structure. Organizations can be restructured to either stimulate or reduce conflict. As a general rule, higher levels of conflict occur when groups become smaller and more highly specialized, because the members tend to focus more exclusively on their group goals. Dividing a large group into smaller, specialized subgroups, for example, would create a situation more conducive to conflict, because each group would be competing for resources, materials, and clients.

Recruiting Outside Experts. Promotion-from-within policies have been criticized as inbreeding because new managers tend to follow old procedures that lead to stale thinking and a lack of creativity and imagination. To avoid the problem of inbreeding, organizations should recruit outside experts who will challenge established procedures and stimulate new thinking. Rather than promoting the best faculty member to be the new dean, for example, some business schools have recruited an executive from industry who can think about business education and the role of the business school much differently. An effective program that has been operating for several years allows faculty members and federal government employees to exchange places temporarily to stimulate new ideas both in government agencies and in academic institutions.

Discussion Questions

1. Should managers expect employees to behave altruistically in organizations? What can be done to obtain greater altruism in an organization? Discuss your association with an organization and explain the degree to which you would be willing to act altruistically.

2. How important is cohesiveness to athletic teams? Is cohesiveness important for the effectiveness of work groups? Identify a group to which you belong, and describe your recommendations for making that group more cohesive.

3. Explain the differences between functional and dysfunctional conflict. Describe two situations illustrating when conflict is functional and when it is dysfunctional.

4. Describe a time when you observed your group unnecessarily creating a win-lose attitude toward an opposing group. What could you do to change your group orientation from a win-lose conflict to a win-win situation?

5. Describe a situation you have observed that demonstrates the spiraling escalation of conflict. The conflict situation could be between two nations, two student groups, or two individuals. How did the conflict start and why is it being perpetuated?

6. Which conflict resolution strategies would you recommend for the following situations: (a) two adjacent fraternities disagree about the use of the parking lot between them; (b) union and management representatives discontinued negotiations and the union has been on strike for two weeks; (c) two countries, such as Ecuador and Peru or Israel and Syria, have a border dispute between them; (d) a disagreement between roommates regarding dirty dishes being left in the kitchen.

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