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Louis R. Pondy

Organizational Conflict: Concepts and Models

Three types of conflict among the subunits of formal organizations are identified: (1) bargaining conflict among the parties to an interest-group relationship; (2) bureaucratic conflict between the parties to a superior-subordinate relationship; and (3) systems conflict among parties to a lateral or working relationship. In each of the three cases, conflict is treated as a series of episodes, each episode including stages of latency, feeling, perception, manifestation, and aftermath. The organization's reaction to conflict in each case is analyzed using the Barnard-Simon model of inducements-contributions balance theory. Of particular interest is whether the organization members resolve conflicts by withdrawing from the organization, by altering the existing set of relationships, or by changing their values and behavior within the context of the existing relationships.¹

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THERE is a large and growing body of literature on the subject of organizational conflict. The concept of conflict has been treated as a general social phenomenon, with implications for the understanding of conflict within and between organizations.² It has

¹The author wishes to thank H. Jerome Zoffer, Jacob G. Birnberg, James A. Wilson, and Victor H. Vroom for helpful comments on a draft of this paper.

²Jessie Bernard, T. H. Pear, Raymond Aron, and Robert C. Angell, *The Nature of Conflict* (Paris: UNESCO, 1957); Kenneth Boulding, *Conflict and Defense* (New York: Harper, 1962); Lewis Coser, *The Functions of Social Conflict* (Glencoe, Ill.: Free Press, 1956); Kurt Lewin, *Resolving Social Conflict* (New York: Harper, 1948); Anatol Rapaport, *Fights, Games, and Debates* (Ann Arbor: University of Michigan, 1960); Thomas C. Schelling, *The Strategy of Conflict* (Cambridge, Mass.: Harvard Univ., 1961); Muzafer Sherif and Carolyn Sherif, *Groups in Harmony and Tension* (Norman, Okla.: University of Oklahoma, 1953); Georg Simmel, *Conflict*, trans. Kurt H. Wolff (Glencoe, Ill.: Free Press, 1955).

also assumed various roles of some importance in attempts at general theories of management and organizational behavior.³ Finally, conflict has recently been the focus of numerous empirical studies of organization.⁴

Slowly crystallizing out of this research are three conceptual models designed to deal with the major classes of conflict phenomena in organizations.⁵

1. *Bargaining model.* This is designed to deal with conflict among interest groups in competition for scarce resources. This model is particularly appropriate for the analysis of labor-management relations, budgeting processes, and staff-line conflicts.

2. *Bureaucratic model.* This is applicable to the analysis of superior-subordinate conflicts or, in general, conflicts along the vertical dimension of a hierarchy. This model is primarily con-

³ Bernard M. Bass, *Organizational Psychology* (Boston, Mass.: Allyn and Bacon, 1965); Theodore Caplow, *Principles of Organization* (New York: Harcourt, Brace, and World, 1964); Eliot D. Chapple and Leonard F. Sayles, *The Measure of Management* (New York: Macmillan, 1961); Michel Crozier, *The Bureaucratic Phenomenon* (Glencoe, Ill.: Free Press, 1964); Richard M. Cyert and James G. March, *A Behavioral Theory of the Firm* (Englewood Cliffs, N. J.: Prentice-Hall, 1963); Alvin W. Gouldner, *Patterns of Industrial Bureaucracy* (Glencoe, Ill.: Free Press, 1954); Harold J. Leavitt, *Managerial Psychology* (Chicago: University of Chicago, 1964); James G. March and Herbert A. Simon, *Organizations* (New York: Wiley, 1958); Philip Selznick, *TVA and the Grass Roots* (Berkeley: University of California, 1949); Victor Thompson, *Modern Organization* (New York: Knopf, 1961).

⁴ Joseph L. Bower, The Role of Conflict in Economic Decision-making Groups, *Quarterly Journal of Economics*, 79 (May 1965), 253-257; Melville Dalton, *Men Who Manage* (New York: Wiley, 1959); J. M. Dutton and R. E. Walton, "Inter-departmental Conflict and Cooperation: A Study of Two Contrasting Cases," dittoed, Purdue University, October 1964; William Evan, Superior-Subordinate Conflict in Research Organizations, *Administrative Science Quarterly*, 10 (June 1965), 52-64; Robert L. Kahn, et al., *Studies in Organizational Stress* (New York: Wiley, 1964); L. R. Pondy, Budgeting and Inter-Group Conflict in Organizations, *Pittsburgh Business Review*, 34 (April 1964), 1-3; R. E. Walton, J. M. Dutton, and H. G. Fitch, *A Study of Conflict in the Process, Structure, and Attitudes of Lateral Relationships* (Institute Paper No. 93; Lafayette, Ind.: Purdue University, November 1964); Harrison White, Management Conflict and Sociometric Structure, *American Journal of Sociology*, 67 (September 1961), 185-199; Mayer N. Zald, Power Balance and Staff Conflict in Correctional Institutions, *Administrative Science Quarterly*, 7 (June 1962), 22-49.

⁵ The following conceptualization draws heavily on a paper by Lawrence R. Ephron, Group Conflict in Organizations: A Critical Appraisal of Recent Theories, *Berkeley Journal of Sociology*, 6 (Spring 1961), 53-72.

cerned with the problems caused by institutional attempts to control behavior and the organization's reaction to such control.

3. *Systems model.* This is directed at lateral conflict, or conflict among the parties to a functional relationship. Analysis of the problems of coordination is the special province of this model.

Running as common threads through each of these models are several implicit orientations. The most important of these orientations follow:

1. Each conflict relationship is made up of a sequence of interlocking conflict episodes; each episode exhibits a sequence or pattern of development, and the conflict relationship can be characterized by stable patterns that appear across the sequence of episodes. This orientation forms the basis for a working definition of conflict.

2. Conflict may be functional as well as dysfunctional for the individual and the organization; it may have its roots either within the individual or in the organizational context; therefore, the desirability of conflict resolution needs to be approached with caution.

3. Conflict is intimately tied up with the stability of the organization, not merely in the usual sense that conflict is a threat to stability, but in a much more complex fashion; that is, conflict is a key variable in the feedback loops that characterize organizational behavior. These orientations are discussed before the conceptual models are elaborated.

A WORKING DEFINITION OF CONFLICT

The term "conflict" has been used at one time or another in the literature to describe: (1) *antecedent conditions* (for example, scarcity of resources, policy differences) of conflictful behavior, (2) *affective states* (e.g., stress, tension, hostility, anxiety, etc.) of the individuals involved, (3) *cognitive states* of individuals, i.e., their perception or awareness of conflictful situations, and (4) *conflictful behavior*, ranging from passive resistance to overt aggression. Attempts to decide which of these classes—conditions, attitude, cognition, or behavior—is really conflict is likely to result in an empty controversy. The problem is not to choose among these alternative conceptual definitions, since each may be a rele-

vant stage in the development of a conflict episode, but to try to clarify their relationships.

Conflict can be more readily understood if it is considered a dynamic process. A conflict relationship between two or more individuals in an organization can be analyzed as a sequence of conflict episodes. Each conflict episode begins with conditions characterized by certain conflict potentials. The parties to the relationship may not become aware of any basis of conflict, and they may not develop hostile affections for one another. Depending on a number of factors, their behavior may show a variety of conflictful traits. Each episode or encounter leaves an aftermath that affects the course of succeeding episodes. The entire relationship can then be characterized by certain stable aspects of conditions, affect, perception, and behavior. It can also be characterized by trends in any of these characteristics.

This is roughly analogous to defining a "decision" to include activities preliminary to and following choice, as well as the choice itself. In the same sense that a decision can be thought of as a process of gradual commitment to a course of action, a conflict episode can be thought of as a gradual escalation to a state of disorder. If choice is the climax of a decision, then by analogy, open war or aggression is the climax of a conflict episode.

This does not mean that every conflict episode necessarily passes through every stage to open aggression. A potential conflict may never be perceived by the parties to the conflict, or if perceived, the conflict may be resolved before hostilities break out. Several other alternative courses of development are possible. Both Coleman and Aubert make these points clearly in their treatments of the dynamics of conflict.⁶

Just as some decisions become programmed or routinized, conflict management in an organization also becomes programmed or institutionalized sometimes. In fact, the institutionalization of means for dealing with recurrent conflict is one of the important aspects in any treatment of the topic. An organization's success hinges to a great extent on its ability to set up and operate ap-

⁶ James S. Coleman, *Community Conflict* (Glencoe, Ill.: Free Press, 1957); Vilhelm Aubert, Competition and Dissensus: Two Types of Conflict and Conflict Resolution, *Journal of Conflict Resolution*, 7 (March 1963), 26-42.

propriate mechanisms for dealing with a variety of conflict phenomena.

Five stages of a conflict episode are identified: (1) latent conflict (conditions), (2) perceived conflict (cognition), (3) felt conflict (affect), (4) manifest conflict (behavior), and (5) conflict aftermath (conditions). The elaboration of each of these stages of a conflict episode will provide the substance for a working definition. Which specific reactions take place at each stage of a conflict episode, and why, are the central questions to be answered in a theory of conflict. Only the framework within which those questions can be systematically investigated is developed here.

Latent Conflict

A search of the literature has produced a long list of underlying sources of organizational conflict. These are condensed into three basic types of latent conflict: (1) competition for scarce resources, (2) drives for autonomy, and (3) divergence of subunit goals. Later in the paper each of these fundamental types of latent conflict is paired with one of the three conceptual models. Briefly, competition forms the basis for conflict when the aggregated demands of participants for resources exceed the resources available to the organization; autonomy needs form the basis of conflict when one party either seeks to exercise control over some activity that another party regards as his own province or seeks to insulate itself from such control; goal divergence is the source of conflict when two parties who must cooperate on some joint activity are unable to reach a consensus on concerted action. Two or more types of latent conflict may, of course, be present simultaneously.

An important form of latent conflict, which appears to be omitted from this list, is role conflict. The role conflict model treats the organization as a collection of role sets, each composed of the focal person and his role senders. Conflict is said to occur when the focal person receives incompatible role demands or expectations from the persons in his role set.⁷ This model has the drawback that it treats the focal person as merely a passive receiver rather than as an active participant in the relationship.

⁷ Kahn, *et al.*, *op. cit.*, pp. 11-35.

It is argued here, that the role conflict model does not postulate a distinct type of latent conflict. Instead, it defines a conceptual relationship, the role set, which may be useful for the analysis of all three forms of latent conflict described.

Perceived Conflict

Conflict may sometimes be perceived when no conditions of latent conflict exist, and latent conflict conditions may be present in a relationship without any of the participants perceiving the conflict.

The case in which conflict is perceived when no latent conflict exists can be handled by the so-called "semantic model" of conflict.⁸ According to this explanation, conflict is said to result from the parties' misunderstanding of each others' true position. It is argued that such conflict can be resolved by improving communications between the parties. This model has been the basis of a wide variety of management techniques aimed at improving interpersonal relations. Of course, if the parties' true positions *are* in opposition, then more open communication may only exacerbate the conflict.

The more important case, that some latent conflicts fail to reach the level of awareness also requires explanation. Two important mechanisms that limit perception of conflict are the suppression mechanism and the attention-focus mechanism.⁹ Individuals tend to block conflicts that are only mildly threatening out of awareness.¹⁰ Conflicts become strong threats, and therefore must be acknowledged, when the conflicts relate to values central to the individual's personality. The suppression mechanism is applicable more to conflicts related to personal than to organizational values. The attention-focus mechanism, however, is related more to organizational behavior than to personal values. Organizations are characteristically faced with more conflicts than can be dealt with, given available time and capacities. The normal reaction is to focus attention on only a few of these, and these tend to be the conflicts for which short-run, routine solutions

⁸ Bernard, Pear, Aron, and Angell, *op. cit.*

⁹ These two mechanisms are instances of what Cyert and March, *op. cit.*, pp. 117-118, call the "quasi-resolution" of conflict.

¹⁰ Leavitt, *op. cit.*, pp. 53-72.

are available. For organizations successfully to confront the less programmed conflicts, it is frequently necessary to set up separate subunits specifically to deal with such conflicts.

Felt Conflict

There is an important distinction between perceiving conflict and feeling conflict. *A* may be aware that *B* and *A* are in serious disagreement over some policy, but it may not make *A* tense or anxious, and it may have no effect whatsoever on *A*'s affection towards *B*. The personalization of conflict is the mechanism which causes most students of organization to be concerned with the dysfunctions of conflict. There are two common explanations for the personalization of conflict.

One explanation is that the inconsistent demands of efficient organization and individual growth create anxieties within the individual.¹¹ Anxieties may also result from identity crises or from extra-organizational pressures. Individuals need to vent these anxieties in order to maintain internal equilibrium. Organizational conflicts of the three latent types described earlier provide defensible excuses for displacing these anxieties against suitable targets. This is essentially the so-called "tension-model."¹²

A second explanation is that conflict becomes personalized when the whole personality of the individual is involved in the relationship. Hostile feelings are most common in the intimate relations that characterize total institutions, such as monasteries, residential colleges, and families.¹³ In order to dissipate accumulated hostilities, total institutions require certain safety-valve institutions such as athletic activities or norms that legitimize solitude and withdrawal, such as the noncommunication norms prevalent in religious orders.

¹¹ Chris Argyris, *Personality and Organization: The Conflict Between the System and the Individual* (New York: Harper, 1957).

¹² Bernard, Pear, Aron, and Angell, *op. cit.*

¹³ It should be emphasized that members of total institutions characteristically experience both strong positive and negative feelings for one another and toward the institution. It may be argued that this ambivalence of feeling is a primary cause of anxiety. See Coser, *op. cit.*, pp. 61-65; and Amitai Etzioni and W. R. Taber, Scope, Pervasiveness, and Tension Management in Complex Organizations, *Social Research*, 30 (Summer 1963), 220-238.

Thus, felt conflict may arise from sources independent of the three types of latent conflict, but latent conflicts may provide appropriate targets (perhaps symbolic ones) for undirected tensions.

Manifest Conflict

By manifest conflict is meant any of several varieties of conflictful behavior. The most obvious of these is open aggression, but such physical and verbal violence is usually strongly proscribed by organizational norms. Except for prison riots, political revolutions, and extreme labor unrest, violence as a form of manifest conflict in organizations is rare. The motivations toward violence may remain, but they tend to be expressed in less violent form. Dalton has documented the covert attempts to sabotage or block an opponent's plans through aggressive and defensive coalitions.¹⁴ Mechanic has described the tactics of conflict used by lower-level participants, such as apathy or rigid adherence to the rules, to resist mistreatment by the upper levels of the hierarchy.¹⁵

How can one decide when a certain behavior or pattern of behavior is conflictful? One important factor is that the behavior must be interpreted in the context in which it takes place. If *A* does not interact with *B*, it may be either because *A* and *B* are not related in any organizational sense, or because *A* has withdrawn from a too stressful relationship, or because *A* is deliberately frustrating *B* by withdrawing support, or simply because *A* is drawn away from the relationship by other competing demands upon his time. In other words, knowledge of the organizational requirements and of the expectations and motives of the participants appears to be necessary to characterize the behavior as conflictful. This suggests that behavior should be defined to be conflictful if, and only if, some or all of the participants perceive it to be conflictful.

Should the term manifest conflict be reserved for behavior which, in the eyes of the actor, is deliberately and consciously de-

¹⁴ Dalton, *op. cit.*

¹⁵ David Mechanic, "Sources of Power of Lower Participants in Complex Organizations," in W. W. Cooper, H. J. Leavitt, and M. W. Shelly (eds.), *New Perspectives in Organization Research* (New York: Wiley, 1964), pp. 136-149.

signed to frustrate another in the pursuit of his (the other's) overt or covert goals? But what of behavior which is not *intended* to frustrate, but does? Should not that behavior also be called conflictful? The most useful definition of manifest conflict seems to be that behavior which, in the mind of the actor, frustrates the goals of at least some of the other participants. In other words, a member of the organization is said to engage in conflictful behavior if he consciously, but not necessarily deliberately, blocks another member's goal achievement. He may engage in such behavior *deliberately* to frustrate another, or he may do so in spite of the fact that he frustrates another. To define manifest conflict in this way is to say that the following question is important: "Under what conditions will a party to a relationship *knowingly* frustrate another party to the relationship?" Suppose *A* unknowingly blocks *B*'s goals. This is not conflictful behavior. But suppose *B* informs *A* that he perceives *A*'s behavior to be conflictful; if then *A* acknowledges the message and *persists* in the behavior, it is an instance of manifest conflict.

The interface between perceived conflict and manifest conflict and the interface between felt conflict and manifest conflict are the pressure points where most conflict resolution programs are applied. The object of such programs is to prevent conflicts which have reached the level of awareness or the level of affect from erupting into noncooperative behavior. The availability of appropriate and effective administrative devices is a major factor in determining whether conflict becomes manifest. The collective bargaining apparatus of labor-management disputes and budgeting systems for internal resource allocation are administrative devices for the resolution of interest-group conflicts. Evan and Scott have described due process or appeal systems for resolving superior-subordinate conflicts.¹⁶ Mechanisms for resolving lateral conflicts among the parties to a functional relationship are rela-

¹⁶ Evan, *op. cit.*; William G. Scott, *The Management of Conflict: Appeals Systems in Organizations* (Homewood, Ill.: Irwin, 1965). It is useful to interpret recent developments in leadership and supervision (e.g., participative management, Theory Y, linking-pin functions) as devices for preventing superior-subordinate conflicts from arising, thus, hopefully, avoiding the problem of developing appeals systems in the first place.

tively undeveloped. Transfer-pricing systems constitute one of the few exceptions. Much more common are organizational arrangements designed to *prevent* lateral conflicts, e.g., plans, schedules, and job descriptions, which define and delimit subunit responsibilities. Another alternative is to reduce the interdependence between conflicting subunits by introducing buffers, such as inventories, which reduce the need for sales and production departments in a business firm to act in perfect accord.

The mere availability of such administrative devices is not sufficient to prevent conflict from becoming manifest. If the parties to a relationship do not value the relationship, or if conflict is strategic in the pursuit of subunit goals, then conflictful behavior is likely. Furthermore, once conflict breaks out on some specific issue, then the conflict frequently widens and the initial specific conflict precipitates more general and more personal conflicts which had been suppressed in the interest of preserving the stability of the relationship.¹⁷

Conflict Aftermath

Each conflict episode is but one of a sequence of such episodes that constitute the relationships among organization participants.¹⁸ If the conflict is genuinely resolved to the satisfaction of all participants, the basis for a more cooperative relationship may be laid; or the participants, in their drive for a more ordered relationship may focus on latent conflicts not previously perceived and dealt with. On the other hand, if the conflict is merely suppressed but not resolved, the latent conditions of conflict may be aggravated and explode in more serious form until they are rectified or until the relationship dissolves. This legacy of a conflict episode is here called "conflict aftermath."¹⁹

¹⁷ See Coleman, *op. cit.*, pp. 9-11, for an excellent analysis of this mechanism. A chemical analogue of this situation is the supersaturated solution, from which a large amount of chemical salts can be precipitated by the introduction of a single crystal.

¹⁸ The sequential dependence of conflict episodes also plays a major role in the analysis of role conflicts by Kahn, *et al.*, *op. cit.*, pp. 11-35. Pondy, *op. cit.*, has used the concept of "budget residues" to explain how precedents set in budgetary bargains guide and constrain succeeding budget proceedings.

¹⁹ Aubert, *op. cit.*

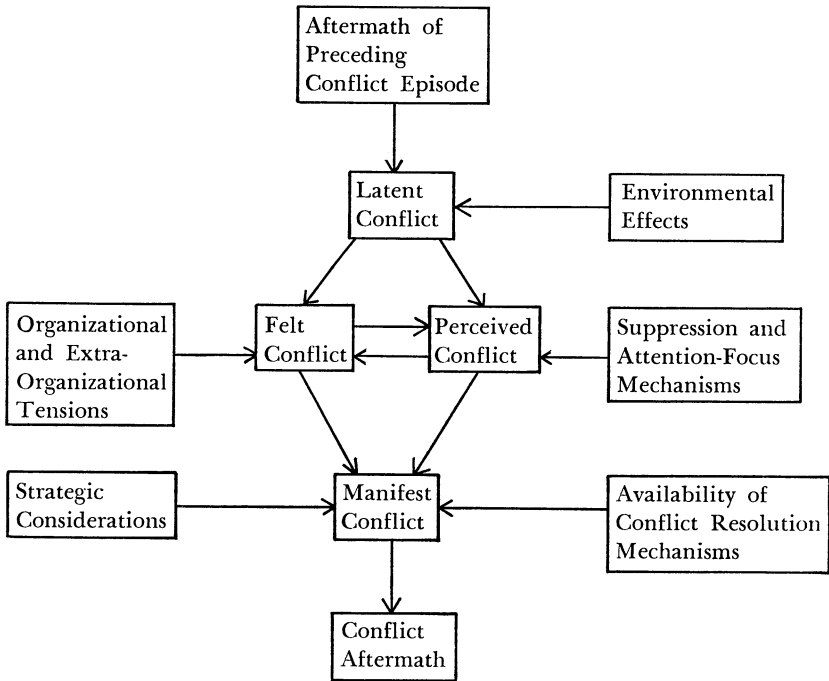


Figure 1. The dynamics of a conflict episode.

However, the organization is not a closed system. The environment in which it is imbedded may become more benevolent and alleviate the conditions of latent conflict, for example, by making more resources available to the organization. But a more malevolent environment may precipitate new crises. The development of each conflict episode is determined by a complex combination of the effects of preceding episodes and the environmental milieu. The main ideas of this view of the dynamics of conflict are summarized in Figure 1.

FUNCTIONS AND DYSFUNCTIONS OF CONFLICT

Few students of social and organizational behavior have treated conflict as a neutral phenomenon to be studied primarily because of scientific curiosity about its nature and form, its causes,

and its effects. Most frequently the study of conflict has been motivated by a desire to resolve it and to minimize its deleterious effects on the psychological health of organizational participants and the efficiency of organization performance. Although Kahn and others pay lip service to the opinion that, "one might well make a case for interpreting some conflict as essential for the continued development of mature and competent human beings," the overriding bias of their report is with the "personal costs of excessive emotional strain," and, they state, "the fact that common reactions to conflict and its associated tensions are often dysfunctional for the organization as an on-going social system and self-defeating for the person in the long run."²⁰ Boulding recognizes that some optimum level of conflict and associated personal stress and tension are necessary for progress and productivity, but he portrays conflict primarily as a personal and social cost.²¹ Baritz argues that Elton Mayo has treated conflict as "an evil, a symptom of the lack of social skills," and its alleged opposite, cooperation, as "symptomatic of health."²² Even as dispassionate a theory of organization as that of March and Simon defines conflict conceptually as a "*breakdown* in the standard mechanisms of decision making"; i.e., as a malfunction of the system.²³

It has become fashionable to say that conflict may be either functional or dysfunctional and is not necessarily either one. What this palliative leaves implicit is that the effects of conflict must be evaluated relative to some set of values. The argument with those who seek uniformly to abolish conflict is not so much with their *a priori* assertion that conflict is undesirable, as it is with their failure to make explicit the value system on which their assertion rests.

²⁰ Kahn, *et al.*, *op. cit.*, p. 65.

²¹ Boulding, *op. cit.*, pp. 305-307.

²² Loren Baritz, *The Servants of Power* (Middletown, Conn.: Wesleyan University, 1960), p. 203.

²³ March and Simon, *op. cit.*, p. 112, italics mine. At least one author, however, argues that a "harmony bias" permeates the entire March-Simon volume. It is argued that what March and Simon call conflicts are mere "frictions" and "differences that are not within a community of interests are ignored." See Sherman Krupp, *Pattern in Organization Analysis* (New York: Holt, Rinehart and Winston, 1961), pp. 140-167.

For the purposes of this research, the effects of organizational conflict on individual welfare are not of concern. Conflict may threaten the emotional well-being of individual persons; it may also be a positive factor in personal character development; but this research is not addressed to these questions. Intra-individual conflict is of concern only in so far as it has implications for organizational performance. With respect to organizational values, *productivity*, measured in both quantitative and qualitative terms, is valued; other things being equal, an organization is "better" if it produces more, if it is more innovative, and if its output meets higher standards of quality than other organizations. *Stability* is also valued. An organization improves if it can increase its cohesiveness and solvency, other things being equal. Finally *adaptability* is valued. Other things being equal, organizations that can learn and improve performance and that can adapt to changing internal and environmental pressures are preferred to those that cannot. In this view, therefore, to say that conflict is functional or dysfunctional is to say that it facilitates or inhibits the organization's productivity, stability, or adaptability.

Clearly, these values are not entirely compatible. An organization may have to sacrifice quality of output for quantity of output; if it pursues policies and actions that guarantee stability, it may inhibit its adaptive abilities. It is argued here that a given conflict episode or relationship may have beneficial or deleterious effects on productivity, stability, and adaptability. Since these values are incompatible, conflict may be simultaneously functional and dysfunctional for the organization.

A detailed examination of the functional and dysfunctional effects of conflict is more effectively made in the context of the three conceptual models. Underlying that analysis is the notion that conflict disturbs the "equilibrium" of the organization, and that the reaction of the organization to disequilibrium is the mechanism by which conflict affects productivity, stability, and adaptability.

CONFLICT AND EQUILIBRIUM

One way of viewing an organization is to think of each participant as making contributions, such as work, capital, and raw ma-

terials, in return for certain inducements, such as salary, interest, and finished goods. The organization is said to be in "equilibrium," if inducements exceed contributions (subjectively valued) for every participant, and in "disequilibrium" if contributions exceed inducements for some or all of the participants. Participants will be motivated to restore equilibrium either by leaving the organization for greener pastures, when the disequilibrium is said to be "unstable," or by attempting to achieve a favorable balance between inducements and contributions within the organization, when it is considered "stable." Since changing organizational affiliation frequently involves sizable costs, disequilibria tend to be stable.

If we assume conflict to be a cost of participation, this inducements-contributions balance theory may help in understanding organizational reactions to conflict. It suggests that the perception of conflict by the participants will motivate them to reduce conflict either by withdrawing from the relationship, or by resolving the conflict within the context of the relationship, or by securing increased inducements to compensate for the conflict.

The assumption that conflict creates a disequilibrium is implicit in nearly all studies of organizational conflict. For example, March and Simon assume that "where conflict is perceived, motivation to reduce conflict is generated," and conscious efforts to resolve conflict are made.²⁴ Not all treatments of the subject make this assumption, however. Harrison White attacks the March-Simon assumption of the disequilibrium of conflict as "naive."²⁵ He bases his assertion on his observation of chronic, continuous, high-level conflict in administrative settings. This, of course, raises the question, "Under what conditions *does* conflict represent a disequilibrium?"

To say that (perceived) conflict represents a state of disequilibrium and generates pressures for conflict resolution, is to say three things: (1) that perceived conflict is a *cost* of participation; (2) that the conflict disturbs the inducements-contributions balance; and (3) that organization members react to perceptions of conflict by attempting to resolve the conflict, *in preference to* (al-

²⁴ March and Simon, *op. cit.*, pp. 115, 129.

²⁵ Harrison White, *op. cit.*

though this is not made explicit in the March-Simon treatment) other reactions such as withdrawing from the relationship or attempting to gain added inducements to compensate for the conflict.

1. *Conflict as a cost.* Conflict is not necessarily a cost for the individual. Some participants may actually enjoy the "heat of battle." As Hans Hoffman argues, "The unique function of man is to live in close creative touch with chaos and thereby experience the birth of order."²⁶

Conflict may also be instrumental in the achievement of other goals. One of the tactics of successful executives in the modern business enterprise is to create confusion as a cover for the expansion of their particular empire,²⁷ or, as Sorensen observes, deliberately to create dissent and competition among one's subordinates in order to ensure that he will be brought into the relationship as an arbiter at critical times, as Franklin D. Roosevelt did.²⁸ Or, conflict with an out-group may be desirable to maintain stability within the in-group.

In general, however, conflict can be expected to be negatively valued; particularly if conflict becomes manifest, and subunit goals and actions are blocked and frustrated. Latency or perception of conflict should be treated as a cost, only if harmony and uniformity are highly valued. Tolerance of divergence is not generally a value widely shared in contemporary organizations, and under these conditions latent and perceived conflict are also likely to be treated as costly.

2. *Conflict as a source of disequilibrium.* White's observation of *chronic* conflict creates doubt as to whether conflict represents a disequilibrium.²⁹ He argues that if conflict *were* an unstable state for the system, then only transient conflict or conflict over shifting foci would be observable. Even if organizational participants treat conflict as a cost, they may still endure intense, chronic

²⁶ Quoted in H. J. Leavitt and L. R. Pondy, *Readings in Managerial Psychology* (Chicago: University of Chicago, 1964), p. 58.

²⁷ Dalton, *op. cit.*

²⁸ Theodore Sorensen, *Decision Making in the White House* (New York: Columbia University, 1963), p. 15. This latter tactic, of course, is predicated on the fact that, for the subordinates, conflict is indeed a cost!

²⁹ Harrison White, *op. cit.*

conflict, if there are compensating inducements from the organization in the form of high salary, opportunities for advancement, and others. To say that a participant will endure chronic conflict is not to deny that he will be motivated to reduce it; it is merely to say that if the organization member is unsuccessful in reducing conflict, he may still continue to participate if the inducements offered to him exceed the contributions he makes in return. Although conflict may be one of several sources of disequilibrium, it is neither a necessary nor a sufficient condition of disequilibrium. But, as will be shown, equilibrium nevertheless plays an important role in organizational reactions to conflict.³⁰

3. *Resolution pressures a necessary consequence of conflict.* If conflicts are relatively small, and the inducements and contributions remain in equilibrium, then the participants are likely to try to resolve the conflict within the context of the existing relationship.³¹ On the other hand, when contributions exceed inducements, or when conflict is intense enough to destroy the inducements-contributions balance and there is no prospect for the re-establishment of equilibrium, then conflict is likely to be reduced by dissolving the relationship. Temporary imbalances, of course, may be tolerated; i.e., the relationship will not dissolve if the participants perceive the conflicts to be resolvable in the near future.

What is the effect of conflict on the interaction rate among

³⁰ Conflict may actually be a source of equilibrium and stability, as Coser, *op. cit.*, p. 159, points out. A multiplicity of conflicts internal to a group, Coser argues, may breed solidarity, provided that the conflicts do not divide the group along the same axis, because the multiplicity of coalitions and associations provide a web of affiliation for the exchange of dissenting viewpoints. The essence of his argument is that some conflict is inevitable, and that it is better to foster frequent minor conflicts of interest, and thereby gradually adjust the system, and so forestall the accumulation of latent antagonisms which might eventually disrupt the organization. Frequent minor conflicts also serve to keep the antagonists accurately informed of each other's relative strength, thereby preventing a serious miscalculation of the chances of a successful major conflagration and promoting the continual and gradual readjustment of structure to coincide with true relative power.

³¹ For example, labor unions, while they wish to win the economic conflict with management, have no interest in seeing the relationship destroyed altogether. They may, however, choose to threaten such disruptive conflict as a matter of strategy.

participants? It depends on the stability of the relationship. If the participants receive inducements in sufficient amounts to balance contributions, then perception of conflict is likely to generate pressures for *increased* interaction, and the content of the interaction is likely to deal with resolution procedures. On the other hand, if conflict represents a cost to the participant and this cost is not compensated by added inducements, then conflict is likely to lead to *decreased* interaction or withdrawal from the relationship.

To summarize, conflict is frequently, but not always, negatively valued by organization members. To the extent that conflict is valued negatively, minor conflicts generate pressures towards resolution without altering the relationship; and major conflicts generate pressures to alter the form of the relationship or to dissolve it altogether. If inducements for participation are sufficiently high, there is the possibility of chronic conflict in the context of a stable relationship.

THREE CONCEPTUAL MODELS OF ORGANIZATIONAL CONFLICT

As Ephron points out, only a very abstract model is likely to be applicable to the study of all organizational conflict phenomena.³² To be useful in the analysis of real situations, a general theoretical framework must at least fit several broad classes of conflict, some or all of which may occur within the same organization. This suggests that different ways of abstracting or conceptualizing a given organization are required, depending on what phenomena are to be studied. The three models of organization described at the beginning of this paper are the basis of the general theory of conflict presented here.

Bargaining Model

A reasonable measure of the potential conflict among a set of interest groups is the discrepancy between aggregated demands of the competing parties and the available resources. Attempts at conflict resolution usually center around attempting either to

³² Ephron, *op. cit.*, p. 55.

increase the pool of available resources or to decrease the demands of the parties to the conflict. Because market mechanisms or elaborate administrative mechanisms have usually evolved to guarantee orderly allocation of scarce resources, bargaining conflicts rarely escalate to the manifest level, except as strategic maneuvers.³³ Walton and McKersie describe such conflicts as complex relationships which involve both integrative (cooperative) and distributive (competitive) subprocesses.³⁴ Each party to the conflict has an interest in making the total resources as large as possible, but also in securing as large a share of them as possible for itself. The integrative subprocess is largely concerned with joint problem solving, and the distributive subprocess with strategic bargaining. A major element of strategy in strategic bargaining is that of attitudinal structuring, whereby each party attempts to secure the moral backing of relevant third parties, (for example, the public or the government).

An important characteristic of interest-group conflicts is that negotiation is frequently done by representatives who face the dual problems of (1) securing consensus for the negotiated solution among respective group members, and (2) compromising between the demands for flexibility by his opposite number and the demands for rigidity by his own group.³⁵ The level of perceived conflict will increase as the deadline for a solution approaches; and interest-group conflicts are invariably characterized by deadline pressures.

Most of Walton and McKersie's framework has been developed and applied within the context of labor-management relations. But the interest-group model is not limited to this sphere of activity. Pondy has described the process of capital budgeting as a process of conflict resolution among departments competing for investment funds.³⁶ Wildavsky has described government

³³ However, the Negro demonstrations of the 1960's and the labor riots of the early twentieth century testify to the futility of managing interest-group conflicts when mechanisms for resolution are not available or when the parties in power refuse to create such mechanisms.

³⁴ R. E. Walton and R. B. McKersie, *A Behavioral Theory of Labor Negotiations* (New York: McGraw-Hill, 1965).

³⁵ These two negotiator problems are termed "factional conflict" and "boundary conflict" by Walton and McKersie, *op. cit.*, p. 283 ff.

³⁶ Pondy, *op. cit.*

budgeting as a political process involving the paraphernalia of bargaining among legislative and executive interest groups.³⁷ Just as past labor agreements set precedents for current labor agreements, budgeting is an incremental process that builds on the residues of previous budgetary conflicts. But, whereas the visible procedures of bargaining are an accepted part of labor-management relations, there are strong pressures in budgeting (particularly *business* budgeting) to conceal the bargaining that goes on and to attempt to cloak all decisions in the guise of rationality.³⁸

Bureaucratic Model

The bureaucratic model (roughly equivalent to Ephron's "political" model) is appropriate for the analysis of conflicts along the *vertical* dimension of a hierarchy, that is, conflicts among the parties to an authority relation. Vertical conflicts in an organization usually arise because superiors attempt to control the behavior of subordinates, and subordinates resist such control. The authority relation is defined by the set of subordinate activities over which the subordinate has surrendered to a superior the legitimacy to exercise discretion.³⁹ The potential for conflict is thus present when the superior and subordinate have different expectations about the zone of indifference. The subordinate is likely to perceive conflict when the superior attempts to exercise control over activities outside the zone of indifference; and the superior perceives conflict when his attempts at control are thwarted. Superiors are likely to interpret subordinate resistance as due to resentment of the exercise of *personal* power. A typical bureaucratic reaction to subordinate resistance is therefore the substitution of impersonal rules for personal control. As numerous students of bureaucracy are quick to point out, however, the unanticipated reaction to rules is more conflict, not less. The usual reasoning goes as follows: The imposition of rules defines the

³⁷ Aaron Wildavsky, *The Politics of the Budgetary Process* (Boston: Little, Brown, 1964).

³⁸ March and Simon, *op. cit.*, p. 131.

³⁹ This set of activities is usually called the "zone of indifference" or "zone of acceptance." See Chester Barnard, *The Functions of the Executive* (Cambridge, Mass.: Harvard University, 1960), pp. 168-170, and Herbert A. Simon, *Administrative Behavior* (New York: Macmillan, 1960), pp. 11-13.

authority relation more clearly and robs the subordinate of the autonomy provided by ambiguity. Replacing supervision with control by rules invariably narrows the subordinate's freedom of action, makes his behavior more predictable to others, and thus weakens his power position in the organization. Control over the conditions of one's own existence, if not over others', is highly valued in organizations, particularly in large organizations. The subordinate therefore perceives himself to be threatened by and in conflict with his superiors, who are attempting to decrease his autonomy.

But why should autonomy be so important? What is the drawback to being subject to a benevolent autocrat? The answer, of course, is that autocrats seldom are or seldom remain benevolent. There is no assurance that the superior's (the organization's) goals, interests, or needs will be compatible with those of the subordinate, especially when: (1) organizations are so large that the leaders cannot identify personally with the rank and file; (2) responsibilities are delegated to organizational subunits, and subunit goals, values, etc. become differentiated from those of the hierarchy; and (3) procedures are formalized, and the organization leaders tend to treat rank and file members as mere instrumentalities or executors of the procedures.

In short, numerous factors influence goals and values along the vertical dimension of an organization; therefore, because subordinates to an authority relation can not rely on superiors to identify with their goals, autonomy becomes important. This leads to resistance by subordinates to attempts by superiors to control them, which in turn generates pressures toward routinization of activities and the institution of impersonal rules. This may lead to relatively predictable, conflict-free behavior, but behavior which is rigid and largely immune to personal persuasion. It is ironic that these very factors provide the potential for conflict when the organization must adapt to a changing environment. Rigidity of behavior, which minimizes conflict in a stable environment, is a major source of conflict when adaptability is required.

Research on leadership and on role conflict also provides important insights into vertical conflict. Whereas bureaucratic de-

velopments have sought to minimize conflict by altering the *fact* of supervision (for example, the use of impersonal rules and emphasis on procedure), leadership developments have sought to alter the *style* of supervision (for example, Likert's "linking pin" proposal and the various techniques of participative management).⁴⁰ Instead of minimizing dependence and increasing autonomy, leadership theorists have proposed minimizing conflict by using personal persuasion and group pressures to bring subordinate goals more closely into line with the legitimate goals of the organization. They have prescribed solutions which decrease autonomy and increase dependence. By heightening the individual's involvement in the organization's activities, they have actually provided the basis for the intense personal conflict that characterizes intimate relations.⁴¹

Both the bureaucratic and the leadership approaches to vertical conflict, as discussed here, take the superior-subordinate dyad as the unit of analysis. The role-conflict approach opens up the possibility of examining the conflicts faced by a man-in-the-middle between the demands of his subordinates and the demands of his superiors. Blau and Scott have suggested that effective leadership can occur only on alternate levels of a hierarchy.⁴² The "man-in-the-middle" must align himself with the interests of either his superior or his subordinate, and in so doing he alienates the other. Of the three conceptual models of conflict, the bureaucratic model has probably received the most attention from researchers from a wide variety of disciplines. Partly because of this diversity, and partly because of the ease with which researchers identify with values of efficiency or democracy, this model is the least straightforward of the three.

Systems Model

The systems model, like Ephron's "administrative" model, de-

⁴⁰ Rensis Likert, *New Patterns of Management* (New York: McGraw-Hill, 1961); See, for example, Chris Argyris, *Interpersonal Competence and Organizational Effectiveness* (Homewood, Ill.: Dorsey, 1962), or Douglas McGregor, *The Human Side of Enterprise* (New York: McGraw-Hill, 1960).

⁴¹ Coser, *op. cit.*, pp. 67-72.

⁴² Peter Blau and Richard Scott, *Formal Organizations* (San Francisco: Chandler, 1962), pp. 162-163.

rives largely from the March-Simon treatment of organizational conflict.⁴³ It is appropriate for the analysis of conflicts among the parties to a functional relationship. Or to use Walton's terminology, the systems model is concerned with "lateral" conflicts or conflicts among persons at the same hierarchial level.⁴⁴ Whereas the authority-structure model is about problems of control, and the interest-group model is about problems of competition, the systems model is about problems of coordination.

The dyad is taken as the basic building block of the conceptual system. Consider two individuals, each occupying some formal position in an organization and playing some formal role with respect to the other. For example, *A* is the production manager and *B* the marketing manager of the XYZ company. The production manager's position is defined by the responsibility to use resources at his disposal (for example, raw materials, workers, machines) to manufacture specified products within certain constraints of quantity, quality, cost, time, and perhaps procedure. The marketing manager's position is defined by the responsibility to use resources at his disposal (for example, promotional media, salesmen, salable goods) to market and sell the company's products within certain constraints of product mix, cost, profitability, customer satisfaction, and so on. The constraints under which each manager operates and the resources at his disposal may be set for him by himself, by the other manager, or by someone else either in or outside of the company. The role of each with respect to the other is specified by the set of directions, requests, information, and goods which he minimally must or maximally may give to or receive from the other manager. The roles may also specify instances of and procedures for joint selection of product mix, schedules, and so on. These *formal* specifications of position and role are frequently described in written job descriptions, but may also form part of a set of unwritten, stable, widely shared expectations legitimized by the appropriate hierarchial authorities. If certain responsibilities and activities are exercised without legitimization, that is, without the conscious,

⁴³ March and Simon, *op. cit.*, pp. 112-135.

⁴⁴ R. E. Walton, "Theory of Conflict in Lateral Organizational Relationships," (Institute Paper No. 85; Lafayette, Ind.: Purdue University, November 1964).

deliberate recognition and approval of the appropriate authorities, then they constitute *informal* positions and roles. Such expectations may still be widely shared, and are not necessarily illegitimate, i.e., specifically proscribed by the hierarchical authorities.

The fundamental source of conflict in such a system arises out of the pressures toward suboptimization. Assume first that the organization is goal-oriented rather than procedure-oriented. The subunits in a goal-oriented system will, for various reasons, have different sets of active goals,⁴⁵ or different preference orderings for the same set of goals. If in turn, two subunits having differentiated goals are functionally interdependent, then conditions exist for conflict. Important types of interdependence matter are: (1) common usage of some service or facility, (2) sequences of work or information flow prescribed by task or hierarchy, and (3) rules of unanimity or consensus about joint activity.

Two ways of reducing conflict in lateral relationships, if it be desirable to do so, therefore, are to reduce goal differentiation by modified incentive systems, or by proper selection, training, or assignment procedures; and to reduce functional interdependence. Functional interdependence is reduced by (1) reducing dependence on common resources; (2) loosening up schedules or introducing buffers, such as inventories or contingency funds; and (3) reducing pressures for consensus. These techniques of preventing conflict may be costly in both direct and indirect costs. Interpersonal friction is one of the costs of "running a tight ship."

If the parties to the conflict are flexible in their demands and desires,⁴⁶ the conflict is likely to be perceived only as a transient disturbance. Furthermore, the conflict may not be perceived, if alternative relationships for satisfying needs are available. This is one of the persuasive arguments for building in redundant channels of work and information flow.

Some relationships may be traditionally conflictful (e.g., ad-

⁴⁵ Following Simon, we treat a goal as any criterion of decision. Thus, both purposes and constraints are taken to be goals. See Herbert A. Simon, On the Concept of Organizational Goal, *Administrative Science Quarterly*, 9 (June 1964), 1-22.

⁴⁶ Such flexibility is one of the characteristics of a problem-solving relationship. Conversely, a bargaining relationship is characterized by rigidity of demands and desires.

ministration-faculty, sales-production, and others). The parties to such a relationship have a set to expect conflict, and therefore may perceive conflict when none exists.

As to the forms of manifested conflict, it is extremely unlikely that any violent or aggressive actions will occur. First, strongly held norms proscribe such behavior. Secondly, the reaction of other parties to the relationship is likely to be that of withdrawing all cooperation. A much more common reaction to perceived conflict is the adoption of a joint decision process characterized by bargaining rather than problem solving. Walton, Dutton, and Fitch have described some of the characteristics of a bargaining style: careful rationing of information and its deliberate distortion; rigid, formal, and circumscribed relations; suspicion, hostility, and disassociation among the subunits.⁴⁷ These rigidities and negative attitudes, of course, provide the potential for conflict over other issues in future episodes of the relationship.

SUMMARY

It has been argued that conflict within an organization can be best understood as a dynamic process underlying a wide variety of organizational behaviors. The term conflict refers neither to its antecedent conditions, nor individual awareness of it, nor certain affective states, nor its overt manifestations, nor its residues of feeling, precedent, or structure, but to all of these taken together as the history of a conflict episode.

Conflict is not necessarily bad or good, but must be evaluated in terms of its individual and organizational functions and dysfunctions. In general, conflict generates pressures to reduce conflict, but chronic conflict persists and is endured under certain conditions, and consciously created and managed by the politically astute administrator.

Conflict resolution techniques may be applied at any of several pressure points. Their effectiveness and appropriateness depends on the nature of the conflict and on the administrator's philosophy of management. The tension model leads to creation of safety-valve institutions and the semantic model to the promotion

⁴⁷ Walton, Dutton, and Fitch, *op. cit.*

of open communication. Although these may be perfectly appropriate for certain forms of imagined conflict, their application to real conflict may only exacerbate the conflict.

A general theory of conflict has been elaborated in the context of each of three conceptual models: (1) a bargaining model, which deals with interest groups in competition for resources; (2) a bureaucratic model, which deals with authority relations and the need to control; and (3) a systems model, which deals with functional relations and the need to coordinate.