

**TOPIC**

**MANAGEMENT PROCESS**

**CHANGE, LEADERSHIP, CONFLICT**

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# Content

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- **Characteristics of the change (transformational, individual)**
  - **Leadership versus management**
  - **Conflict and contrasting frames of reference: unitarist, pluralist, and interactionist**
  - **Coordination failure and conflict**
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# Learning outcomes

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- Explain why effective change management is important, to organizations and to individuals. Identify the main types and triggers of organizational change.
  - Explain the issues that management must take into account to ensure that change is successful. Understand the typical characteristics of human responses to change.
  - Explain the apparent difference between the concepts of leadership and management.
  - Understand why there is little relationship between personality traits and effective leadership.
  - Distinguish between the four major frames of reference on conflict. Distinguish between functional and dysfunctional conflict. Explain the relationship between organizing, coordinating, and conflict.
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# Why study change?

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- It has become routine to say that ‘change is a constant’.
  - Organizations must keep changing, to keep up with global economic and geopolitical developments, competitor behaviour, changing customer demands and expectations, new legislation and regulations, new materials, new technologies – and many other surprises.
  - Failure to change, and to change rapidly, may put an organization’s survival at risk. You as an individual must also be able and willing to change.
  - With so many opportunities to practise and to learn from experience, one might assume that managers have learned how to implement organizational change effectively.
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# Why study change?

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- **Change is a constant**, and it is a constant issue, for organizations, and for us as individuals. The need for organizational change is prompted by many different triggers of change.

**External triggers** for organizational change include:

- economic and trading conditions, domestic and global;
  - new technology and materials;
  - changes in customers' requirements and tastes;
  - activities and innovations of competitors;
  - mergers and acquisitions;
  - legislation and government policies;
  - shifts in local, national, and international politics;
  - changes in social and cultural values.
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# Why study change?

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Internal triggers for organizational change can include:

- new product and service design innovations;
  - low performance and morale, high stress, and staff turnover;
  - appointment of a new senior manager or top management team;
  - inadequate skills and knowledge base, triggering training programmes;
  - office and factory relocation, closer to suppliers and markets;
  - recognition of problems triggering reallocation of responsibilities;
  - innovations in the manufacturing process;
  - new ideas about how to deliver services to customers.
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# Making it happen and making it stick

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- Bruch and Menges call this ‘**the acceleration trap**’. They found that in companies that were ‘fully trapped’, 60 per cent of employees felt that they lacked the resources to get their work done, compared with only 2 per cent who felt that way in companies that were not ‘trapped’.

They also found **three typical patterns**

- 1. Overloading: staff have too many activities, but not enough time or resources.
  - 2. Multiloading: focus is reduced by asking employees to take on too many kinds of activities.
  - 3. Perpetual loading: the organization operates close to capacity all the time, giving employees no chance to rest or retreat, but only to ask ‘When is the economizing going to come to an end?’
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# Transformational change

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- Faced with geopolitical, economic, demographic, sociocultural, and technological developments, most organizations seem to need deep transformational change.
- This is more difficult to implement than shallow change, as it is more costly and time-consuming, and affects larger numbers of people in more significant ways.

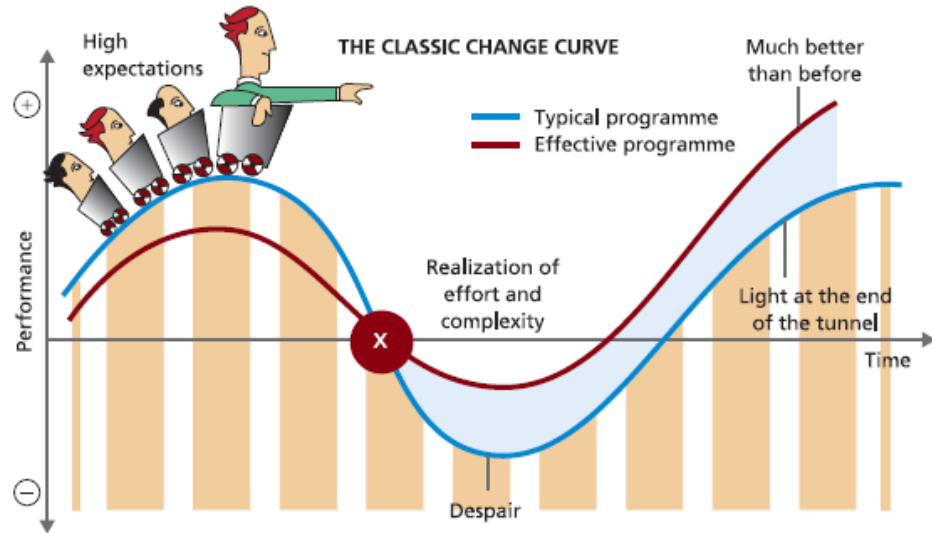
<b>surface</b>	<b>fine tuning:</b> focus on efficiency
↓	<b>restructure:</b> centralize, decentralize
<b>shallow</b>	<b>reallocate resources:</b> grow some departments, cut others
↓	<b>improve business planning:</b> symbolize a shift in thinking
<b>penetrating</b>	<b>change the leadership:</b> new CEO with major change remit
↓	<b>change the organization's definition of success:</b> create new goals, objectives, targets to change behaviour
<b>deep</b>	<b>change the mission, vision, values and philosophy:</b> symbolize a radical shift in thinking and behaviour
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<b>transformational</b>	<b>paradigm shift:</b> change how we think, how we solve problems, how boundaries are defined, the way we do business: frame-breaking, mould-breaking, fundamental, strategic change

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# Change and the individual

- David Schneider and Charles Goldwasser (1998) introduced the 'classic change curve'.
- In the middle of the curve sits a 'valley of despair'.



# The coping cycle

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- The **coping cycle** has since been used by many others to help understand responses to major organizational changes.
- This is an ‘ideal’ model. We may not all experience the same sets of responses.
- We may omit stages, revisit some, or pass through them more or less quickly than others. This can be a useful diagnostic tool.

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Stage	Response
<b>denial</b>	unwillingness to confront the reality; ‘this is not happening’; ‘there is still hope that this will all go away’
<b>anger</b>	turn accusations on those apparently responsible; ‘why is this happening to me?’; ‘why are you doing this to me?’
<b>bargaining</b>	attempts to negotiate, to mitigate loss; ‘what if I do it this way?’
<b>depression</b>	the reality of loss or transition is appreciated; ‘it’s hopeless, there’s nothing I can do now’; ‘I don’t know which way to turn’
<b>acceptance</b>	coming to terms with and accepting the situation and its full implications; ‘what are we going to do about this?’; ‘how am I going to move forward?’

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# Why study leadership?

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- Leadership appears to be a critical determinant of organizational effectiveness, whether we are discussing an army, an orchestra, a hockey team, a street gang, a political party, a group of rock climbers, or a multinational corporation.
  - It is not surprising to find, therefore, that leadership is a focus of intense research effort.
  - Ralph Stogdill, an influential early commentator on the topic, defined leadership as an influencing process aimed at goal achievement.
  - Stogdill's definition **has three components**. First, it defines leadership as an **interpersonal process** in which one individual seeks to influence the behaviour of others. Second, it sets leadership in a **social context**, in which the other members of the group to be influenced are subordinates or followers. Third, it identifies a criterion for effective leadership – **goal achievement** – which is one practical objective of leadership theory and research. Most definitions of leadership share these processual, contextual, and evaluative components.
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# Leadership?

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6 perspectives which adopt quite different views on the nature of leadership:

- 1. Trait-spotting: identifies the personality traits and related attributes of the effective leader, in order to facilitate the selection of leaders.
  - 2. Style-counselling: characterizes different leadership behaviour patterns to identify effective and ineffective leadership styles, in order to improve the training and development of leaders.
  - 3. Context-fitting: contingency theories argue that the leadership effectiveness depends on aspects of the organizational and cultural setting.
  - 4. New leadership: ‘new leaders’, ‘superleaders’, and ‘transformational leaders’ are heroic, inspirational visionaries who give purpose and direction to others; their motivational role is central to strategy and effectiveness.
  - 5. Distributed leadership: leadership behaviour is not confined to those with formal senior roles, but can be observed across all organizational levels.
  - 6. Who needs leaders? Transformational leaders can destabilize an organization by driving too much change too quickly, causing burnout and initiative fatigue; middle managers with change implementation skills can be more effective.
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# Leadership versus management

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- Some commentators argue that leaders and managers make distinctly different contributions. Others argue, however, that leadership is simply one facet of a complex management role. Warren Bennis and Burt Nanus (1985) famously argued that ‘managers do things right’ while ‘leaders do the right thing’.
  - Leaders are thus often seen as visionaries who drive new initiatives. Managers simply seek to maintain order and stability.
  - The leader is prophet, catalyst, mover-shaker, and strategist.
  - The manager is technician, administrator, and problem-solver. The leader influences others to sign up to their vision, inspires them to overcome obstacles, and generates positive change.
  - The manager establishes plans and budgets, designs and staffs the organization, monitors and controls performance, and delivers order and predictability.
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# Leadership versus management

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	<b>Leadership functions</b>	<b>Management functions</b>
<b>Creating an agenda</b>	<i>Establishes direction</i> vision of the future; develops strategies for change to achieve goals	<i>Plans and budgets</i> decides actions and timetables; allocates resources
<b>Developing people</b>	<i>Aligning people</i> communicates vision and strategy; influences creation of teams which accept validity of goals	<i>Organizing and staffing</i> decides structure and allocates staff; develops policies, procedures, and monitoring
<b>Execution</b>	<i>Motivating and inspiring</i> energizes people to overcome obstacles; satisfies human needs	<i>Controlling, problem-solving</i> monitors results against plan and take corrective action
<b>Outcomes</b>	<i>Produces positive and sometimes dramatic change</i>	<i>Produces order, consistency, and predictability</i>

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# Why study conflict?

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- Conflict is a **fundamental force governing** all aspects of life. Within an organization, conflicts can occur between individuals, groups, and departments.
  - **Conflicts are likely to concern disagreements about the conduct and goals of work**, the tasks to be performed, how they should be performed, management bonuses, and workers' wages, as well as basic interpersonal conflicts.
  - **Conflict is a state of mind**. It has to be perceived by the parties involved. If the two or more parties concerned are not aware of a conflict, then no conflict exists. This broad definition encompasses conflicts at all different levels within an organization. Typically conflicts are based upon differences in interests and values.
  - **They occur** when the interests of one party come up against the different interests of another. Parties may include shareholders, managers, departments, professionals, and groups; while conflict issues can include dividends, manager bonuses, and employee wage levels.
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## Contrasting frames of reference: unitarist, pluralist, and interactionist

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- A frame of reference refers to the influences which structure a person's perceptions and interpretations of events.
  - These involve assumptions about reality, attitudes towards what is possible, and conventions regarding what is correct behaviour for those involved.
  - The adoption of differing frames of references by opposing sides can impair the effective resolution of conflicts.
    - For example, in a labour dispute, the unions and management will look at the industrial relations bargaining situation from completely different points of view. Management assumes that the natural state of affairs is one in which there is no inherent conflict of interest between the different individuals, groups, or collectivities that constitute the organization. It believes that managers and employees possess shared goals. From this frame of reference, cooperation is the norm, and all dissent is seen as unreasonable.
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## Contrasting frames of reference: unitarist, pluralist, and interactionist

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- The literature distinguishes four different frames of reference on conflict, based on the distinctions made by Alan Fox. They are labelled unitarist, pluralist, interactionist, and radical (Fox, 1966).
  - In this section, the first three will be introduced and contrasted, while the fourth, the radical, will be subjected to a more detailed analysis in its own section later. These frames are neither ‘right’ nor ‘wrong’, only different.
  - The **unitarist** frame sees organizations as essentially harmonious and any conflict as bad.
  - The **pluralist** frame sees organizations as a collection of groups, each with their own interests.
  - The **interactionist** frame sees conflict as a positive, necessary force for effective performance.
  - The **radical** frame sees conflict as an inevitable outcome of capitalism.
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Types of conflict, internal organizational characteristics, and required management actions

Condition	1	2	3
Conflict level	Too little	Optimal	Too great
Organizational performance			
	Low ← Level of conflict → High		
Organizational performance level	Low	High	Low
Organization's internal characteristics	<ul style="list-style-type: none"> <li>• Apathy</li> <li>• Stagnation</li> <li>• Poor focus</li> <li>• Unmotivated</li> <li>• Few changes</li> <li>• Slow to adapt</li> <li>• Not integrated</li> <li>• Few new ideas</li> </ul>	<ul style="list-style-type: none"> <li>• Cohesive</li> <li>• Productive</li> <li>• Co-operation</li> <li>• Organizational goal focused</li> <li>• Innovative and changing</li> <li>• Solution searching</li> <li>• Creatively adapting to environment</li> </ul>	<ul style="list-style-type: none"> <li>• Chaotic</li> <li>• Disruptive</li> <li>• Distracted</li> <li>• Politicized</li> <li>• Uncooperative</li> <li>• Hostile to other groups</li> </ul>
Probable impact on organization	Dysfunctional	Functional	Dysfunctional
Managerial action required	Stimulate conflict	Leave alone	Reduce conflict

## Coordination failure and conflict

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- The process of organizing by senior managers acts to divide up the work activities, and an outbreak of conflict can thus be seen as a symptom of management's failure to adequately coordinate these same activities later on.
  - The coordination-conflict four-stage model organizes the diverse theoretical discussions and research findings into a framework that explains how conflict in organizations arises and how it might be managed.
  - Such management may involve either the use of conflict resolution approaches (to reduce or eradicate conflict) or conflict stimulation approaches (to encourage and increase conflict).
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## Coordination failure and conflict

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- The first stage of the model consists of **organizing**, defined as the process of breaking up a single task and dividing it among different departments, groups, or individuals.
    - For example, a car company allocates the work related to a new vehicle to its different subdivisions (departments, groups, and individuals) – personnel, accounting, production, sales, and research.
  - If organizing involved breaking up the task into bits, then **coordinating** is bringing the bits together again. Coordination involves ensuring that the previously divided tasks that were allocated between different departments, groups, and individuals are brought together in the right way and at the right time. Coordination entails synchronizing the different aspects of the work process.
  - Unsuccessful coordination need not necessarily ignite a conflict. Perception plays an important part. It is only if one party, individual, group, or department becomes aware of, or is adversely affected by, the situation, and cares about it, that latent conflict turns into perceived conflict.
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## Conflict management

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Kenneth Thomas (1976) distinguished **five conflict resolution approaches** based upon the **two dimensions**:

- how assertive or unassertive each party is in pursuing its own concerns
  - how cooperative or uncooperative each is in satisfying the concerns of the other.
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- He labelled these **competing** (assertive and uncooperative); **avoiding** (unassertive and uncooperative); **compromising** (mid-range on both dimensions); **accommodating** (unassertive and cooperative); and **collaborating** (assertive and cooperative).
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## THINK AND STOP!

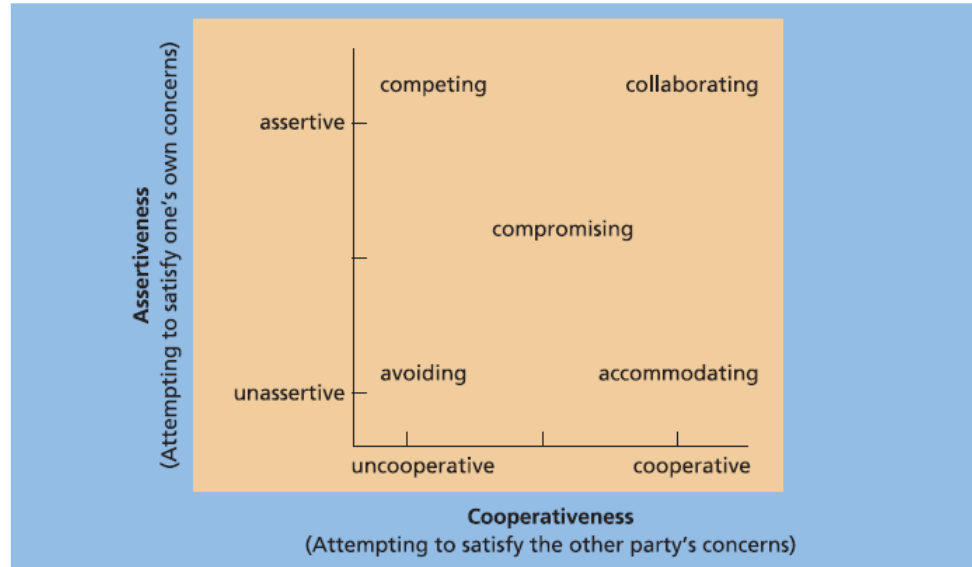
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- Some individuals resolve conflict in one fixed way in different situations. Others change their approach to suit the circumstances. Think of a specific domestic, friendship, or organizational context that involved conflict.
  - How did you deal with it?
  - Did you compete, avoid, compromise, accommodate, or collaborate?
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## Conflict resolution approaches compared

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- Unless the managers are flexible and capable of switching between styles, their ability to resolve conflicts effectively will be limited.
- In practice, all individuals, whether managers or not, habitually use only a limited number of styles (perhaps just one) to resolve all the conflicts in which they are involved.
- It is not surprising that their success is limited.



# Bargaining strategies

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Richard Walton and Robert McKersie's (1965) classic research into negotiation behaviour distinguished distributive bargaining strategies from integrative bargaining strategies

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## ***Integrative bargaining*** **Win-win strategy**

1. Define the conflict as a mutual problem.
2. Pursue joint outcomes.
3. Find creative agreements that satisfy both groups.
4. Use open, honest, and accurate communication of group's needs, goals, and proposals.
5. Avoid threats (to reduce the other's defensiveness).
6. Communicate flexibility of position.

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## ***Distributive bargaining*** **Win-lose strategy**

1. Define the conflict as a win-lose situation.
  2. Pursue own group's outcomes.
  3. Force the other group into submission.
  4. Use deceitful, inaccurate, and misleading communication of group's needs, goals, and proposals.
  5. Use threats (to force submission).
  6. Communicate high commitment (rigidity) regarding one's position.
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## Conflict frames of reference: beliefs, assumptions, and ways of dealing with conflict

Frame of reference	Beliefs	Assumptions	How to deal with conflict
Unitarist	Organizations are fundamentally harmonious, cooperative structures.	Accepts the internal management structure. Thinks of conflict as negative.	Humanistic approach to conflict resolution. Not interested in cause of conflict. Concentrates on resolution through communication. Managers able to change behaviour.
Pluralist	Organizations are made up of diverse groups with varying needs and interests.	Conflict is inevitable. Conflict serves as a regulation mechanism between the different groups. Acts as an early warning system to provide signs that system will break down if conflict not dealt with.	Conflict does not prevent organizations from functioning. Groups recognize that compromise and negotiation are necessary if they are to achieve common goals. Manager's job is to balance conflict between various groups.
Interactionist	Conflict is a positive and necessary force and essential for effective organizational performance.	Conflict should be institutionalized through systems of collective bargaining. Optimum level of conflict; too much or too little is dysfunctional and impairs performance.	Seen as beneficial in motivating energy to deal with underlying problems. Enhancing mutual understanding of goals and interests.
Radical	Organizational conflict is an inevitable consequence of exploitative employment relations in a capitalist economy, based on Marxist critique.	Fundamental aim of capitalist enterprise is to expand capital and generate profit which is divided between managers and shareholders. Competition forces low production costs, forcing employees to earn less, which creates conflict.	Management deals with conflict by limited effects of worker resistance, walkouts, strikes, or conflict.

# RECAP

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- Organizations that do not adapt to changing circumstances may see their performance deteriorate, and may go out of business.
  - The pace of organizational change means that individuals need to ‘future-proof’ their careers by constantly gaining new knowledge and skills.
  - Change can be triggered by factors internal and external to the organization, and can also be proactive, anticipating trends and events.
  - Change varies in depth, from shallow fine tuning to deep transformational change.
  - The broad direction of change in most organization’s is towards becoming less mechanistic and bureaucratic, and more adaptive, responsive, and organic.
  - Emotional responses to traumatic changes differ, but the typical coping cycle passes through the stages of denial, anger, bargaining, depression, and acceptance.
  - Leaders are typically portrayed as inspiring, change oriented visionaries. Managers are typically portrayed as planners, organizers, and controllers. In practice, the roles overlap, are complementary and can be difficult to distinguish.
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# RECAP

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- The unitarist frame sees organizations as essentially harmonious and any conflict as bad.
  - The pluralist frame sees organizations as a collection of groups, each with their own interests.
  - The interactionist frame sees conflict as a positive, necessary force for effective performance.
  - The radical frame sees conflict as an inevitable outcome of capitalism.
  
  - Functional conflict is considered by management to support organizational goals, and it improves organizational performance.
  - Dysfunctional conflict is considered to impede the achievement of organizational goals, and it reduces company performance.
  - Individuals, groups, units, and departments may be in conflict with each other due to the differences in their goal orientation and evaluations, self-image and stereotypes, task interdependencies, and time perspectives, as well as overlapping authority and scarce resources.
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# RECAP

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- Some writers contend that conflict that is dysfunctional, that is, does not achieve organizational goals, wastes time, demotivates staff, wastes resources, and generally lowers individual and hence Organizational performance. In such cases it needs to be eliminated.
  - Commentators argue that conflict stimulation is necessary if employees enter ‘comfort zones’; are reluctant to think in new ways; and find it easier to maintain the status quo. In rapidly changing organizational environments such behaviour not only reduces organizational success, but may endanger its very existence.
  - Distributive bargaining refers to a negotiation situation in which a fixed sum of resources is divided up. It leads to a win–lose situation between the parties.
  - Integrative bargaining seeks to increase the total amount of resources, and it creates a win–win situation between the parties.
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**We can share our  
thoughts and ask  
questions**



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