Chapter Thirteen

Conflict, Power and Politics

Marketing – Manufacturing Areas of Potential Goal Conflict

Goal Conflict	MARKETING VS.	MANUFACTURING
	Operative goal is customer satisfaction	Operative goal is production efficiency
Conflict Area	*Typical Comment*	*Typical Comment*
Breadth of product line:	"Our customers demand variety."	"The product line is too broad, all we get are short, uneconomical runs."
New product introduction:	"New products are our lifeblood."	"Unnecessary design changes are prohibitively expensive."
Production scheduling:	"We need faster response. Lead times are too long."	"We need realistic customer commitments that don't change like the wind direction"
Physical distribution:	"Why don't we ever have the right merchandise in inventory?"	"We can't afford to keep huge inventories."
Quality:	"Why can't we have reasonable quality at low cost?"	"Why must we always offer options that are too expensive and offer little customer utility?"

Sources: Based on Benson S. Shapiro, "Can Marketing and Manufacturing Coexist?" *Harvard Business Review* 55 (September-October 1977): 104-14; and Victoria L. Crittenden, Lorraine R. Gardiner, and Antonie Stam, "Reducing Conflict Between Marketing and Manufacturing," *Industrial Marketing Management* 22 (1993): 299-309.

Sources of Conflict and Use of Rational vs. Political Model

Sources of Potential Inter-group Conflict	When Conflict Is Low, Rational Model describes organization	Organization Variables	When Conflict Is High, Political Model describes organization
Goal Incompatibility Differentiation Task Interdependence Limited Resources	Consistent across participants	Goals	Inconsistent, pluralistic within the organization
	Centralized	Power and Control	Decentralized, shifting coalitions and interest groups
	Orderly, logical, rational	Decision Process	Disorderly, result of bargaining and interplay among interests
	Norm of efficiency	Rules and Norms	Free play of market forces, conflict is legitimate and expected
	Extensive, systematic, accurate	Information	Ambiguous, information used and withheld strategically

Individual vs. Organizational Power

- Legitimate power
- Reward power
- Coercive power
- Expert power
- Referent power
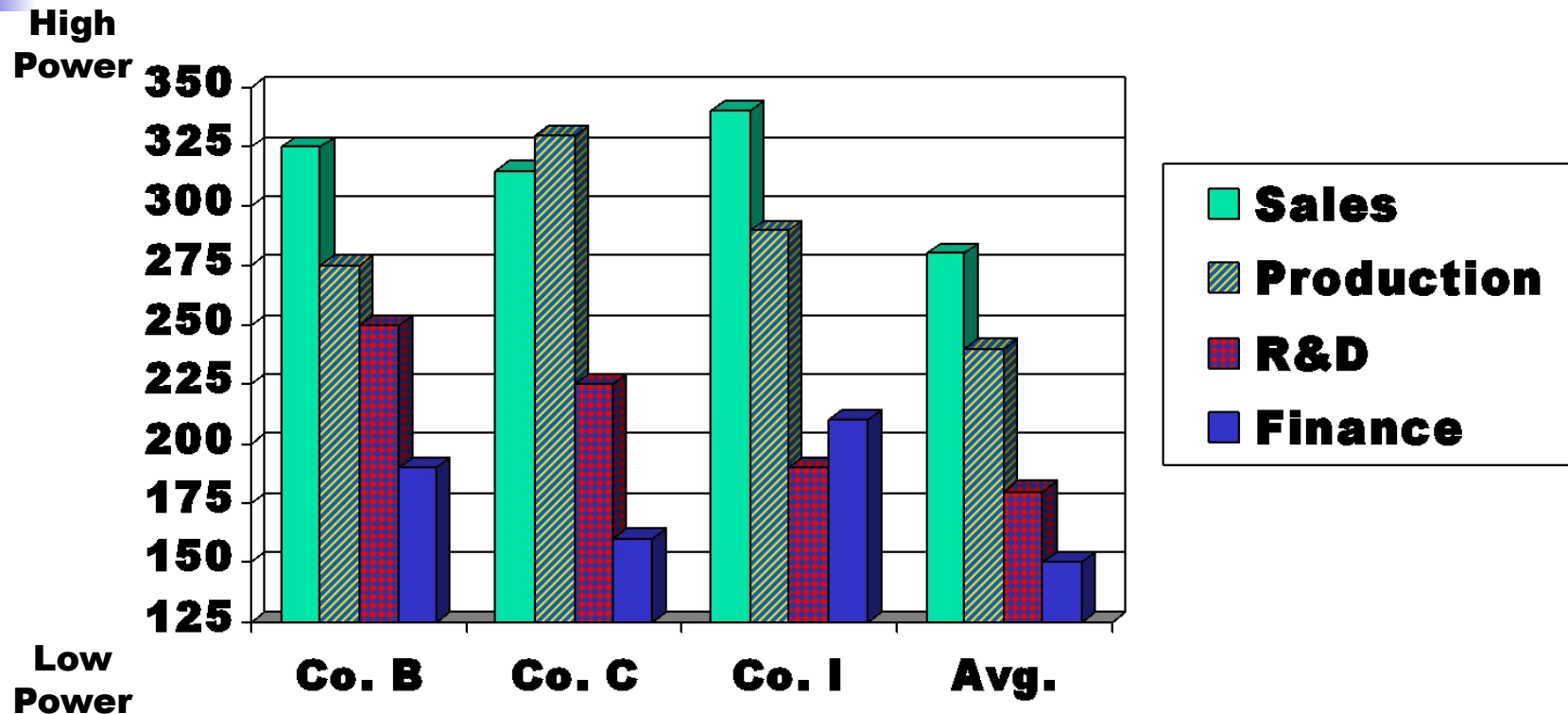
Power vs. Authority

- POWER
  - Ability to influence others to bring about desired outcomes
- AUTHORITY
  - Flows down the vertical hierarchy
  - Prescribed by the formal hierarchy
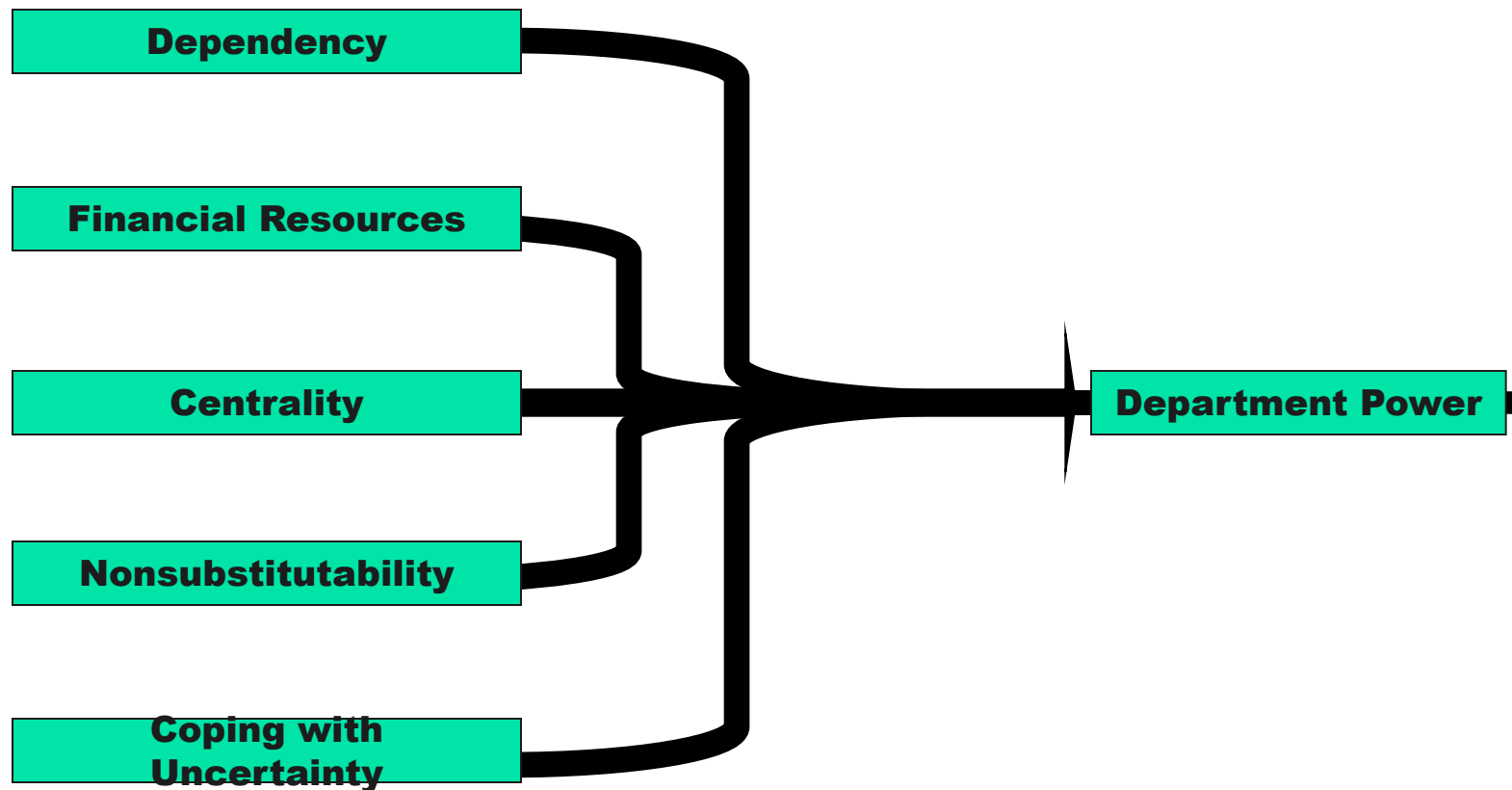 - Vested in the position held

Vertical Sources of Power

- Formal Position
- Resources
- Control of Decision Premises and Information
- Network Centrality
- People Alliances

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Horizontal Sources of Power

Source: Charles Perrow, "Departmental Power and Perspective in Industrial Firms," in Mayer N. Zald, ed., *Power in Organizations* (Nashville, Tenn.: Vanderbilt University Press, 1970), 64.

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Strategic Contingencies That Influence Horizontal Power Among Departments

Dependency

Financial Resources

Centrality

Nonsubstitutability

Coping with Uncertainty

Department Power

Power and Political Tactics in Organizations

Tactics for Increasing the Power Base	Political Tactics for Using Power	Tactics for Enhancing Collaboration
1. Enter areas of high uncertainty	1. Build coalitions and Expand networks	1. Create integration devices
2. Create dependencies	2. Assign loyal people to key positions	2. Use confrontation and negotiation
3. Provide resources	3. Control decision premises	3. Schedule inter-group consultation
4. Satisfy strategic contingencies	4. Enhance legitimacy and expertise	4. Practice member rotation
	5. Make preferences explicit, but keep power implicit	5. Create superordinate goals

Negotiating Strategies

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
5. Avoid threats
6. Communicate flexibility

Win-Lose Strategy

1. Define the conflict as a win-lose situation
2. Pursue self outcomes
3. Force other group into submission
4. Use deceitful, inaccurate communication
5. Use threats
6. Communicate rigidity