

Organizational Conflict

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The Approach to Organisational Conflict.

Pre-modern societies are marked by more violence and other indicators of open conflict (assault, murder, mayhem, riots, insurrections and local wars) than modern ones. After reviewing much historical and anthropological evidence on aggression, violence and conflict, the evolutionary psychologist Steven Pinker concludes: “The homicide rates in the most vicious American urban jungles today are twenty times lower than in many foraging societies. Modern Britons are twenty times less likely to be murdered than their medieval ancestors.” (Pinker, 1997:518). This sort of generalisation is supported, though usually inexplicitly and indirectly, by much other evidence and argument from researchers, including many working in the organisational studies field. Indeed, as we shall see, there is much reason to think that the development of organisations has contributed to a transformation of conflict. Very simply put, what happens with the development of numerous organisations is a significant increase in the number and variety of the relationships in which people are enmeshed (a greatly increased network density), making clear lines of cleavage and allegiance more difficult to sustain. Modern social life rests, not on a complete absence of conflict, but on a complicated gradation of aversions, indifferences and antipathies.

Societies that are largely constituted by organisations or organisational societies (Presthus, 1979; Ahme, 1990; see also Urry, 2000) feature only limited kinds of collective conflict. However, this does not support the conclusion that organisations themselves, or the kind of society largely constituted by organisations, have eliminated conflict. On the contrary, the opposite is the appropriate conclusion: by channelling conflict, organisations are amongst the most significant sites for its expression that remain. Still less should we conclude that, by channelling conflict, organisations have somehow removed the capacity for it from individuals and societies. As will be suggested here, conflict is a fundamental fact of organisations themselves and of organisational society. In the late modern period, conflict may have come to be subtly and effectively contained in by extensive surveillance (Townley, 1998; Lyon, 2001) and soft constraint (Courpasson, 2005), but it has not gone away. Indeed, understanding the patterning of organisational conflict is important for at least two reasons: (a) it allows us to explain several key organisational processes as they exist today and (b) it also allows a realistic assessment of the question of whether there may be significant changes in patterns of conflict in the future. The question of whether there could be atavistic reversion to overt and violent collective conflict is a concern that haunted a good deal of social science thinking of the nineteenth and twentieth centuries; and is one which continues to have relevance today.

In the body of this chapter, there are three sections of roughly equal length. In the first two, we consider substantive work concerning organisational conflict. We find it

		Irony,	Sabotage
	SHORT-	Criticism,	
Destructiveness	LIVED	Satire	Arson
DURATION OF CONFLICT			
	LONG -	Work-place organisation for	Ideological
Developments	TERM	work limitation, absenteeism etc	Extended Strike Action

Scholars working in the organisational behaviour field (OB) frequently regard conflict in organisations as endemic, though they sometimes have a quite limited conception of it. In OB as it is constituted today, conflicting behaviour is perhaps most frequently labelled “organisational *mis*behaviour” (Vardi and Weiner, 1996; Ackroyd and Thompson, 1999). However, a variety of other labels, such as “workplace deviance” (Robinson and Bennett, 1995; 1997), “anti-social behaviour” (Giacone and Greenburg, 1997) “dysfunctional behaviour” (Griffin et al., 1998) are also used. Clearly, some of this writing implies that employees recognise differences between their interests and those of their employers, but that they are mistaken or their perspective on this is somehow wrong ie “deviant”, “anti-social” or “dysfunctional”. Some of this work explicitly denies that conflict arises from differences of interests that are rationally pursued by groups of employees. However, by no means all this work on organisational conflict implies that conflicts of outlook or interest are aberrant. The best and most reliable research assumes the opposite.

Recognition that there are conflicting interests between individuals and groups in organisations is difficult to avoid by anyone familiar with them. The first management theorists were under no illusion here. As is well-known, Frederick Taylor (1911), noticed conflict over the intensity of work, and made it basic to his policies. He noticed both a basic tendency to economy of effort on the part of employees (which he called ‘natural soldiering’) and the informal organisation of such tendencies amongst workpeople (identified as ‘systematic soldiering’). However, Taylor and his successors, management consultants and work analysts such as Gantt, the Gilbreths and Bedaux, somewhat naively assumed that there was an underlying correspondence of the interests between the ordinary employee and the managers. They thought that if the productivity of labour could be increased by work study and kindred techniques, and some of this increase in value shared with the worker, cooperative activity would ensue. But this was naïve. For one thing, none of the early analysts had any intention of sharing the results of improved efficiency between the parties equally or fairly. They also assumed – quite wrongly - that the redesign of employees’ work and the resulting deskilling and loss of control that

employees experience, would be of no importance to them. In retrospect, there was a failure to understand the relationship between manager and worker very adequately.

Conflict in organisations has been attributed to various causes. At a commonsense level it is often seen as the product of different personalities and individual incompatibility, simple bad management and so on. Considered more collectively, analysts have argued that distinctive forms of conflict are likely to arise wherever organisations exhibit particular configurations. Here we might cite the celebrated work of Zald and Berger (1978) in which they analyse the appearance of such things as organisational coups d'état or organisational insurgency movements. More recent writers are also very well aware of the politics of the workplace taking particular forms in appropriate circumstances (Buchanan and Badham, 1999). At the deepest analytical level, however, the root of conflict has been seen as arising from capitalist economic organisation. Paul Edwards argues that most conflicts in the workplace are traceable to what he calls the 'structured antagonisms inherent in private capitalism' (Edwards, 1986: 5). His account is supported by a good deal of other work (Freidman, 1977; Burawoy, 1975; Thompson, 1984), and is accepted here. Nevertheless, Edwards' abstract conception is difficult to use in research; nor does it provide the basic explanation of every kind of observed conflict. Hence, in practice, ideas about particular conflicts of interest (Swedburg, 2003) are used instead. Empirically, what we see are conflicts between individuals and groups. What they are ostensibly in conflict about varies a good deal. However, to take a historically very important instance, conflict between employers and employees is recurrent over such things as the duration of periods of work and or the intensity of working effort, as well as the use of the materials and equipment used in work performance (Ackroyd and Thompson, 1999). This example is compatible with the proposition that the conflict arises from the structured antagonisms of private capitalism.

The deep-seated and systemic nature of much intra-organisational conflict was gradually discovered in the second half of the twentieth century. This emerged with the development of more adequate research, the new work being both conceptually more rigorous than hitherto, as well as being more sharply focussed. One significant development was the application of anthropological study techniques, which required close and persistent observation of actual behaviour, to industrial settings. In the USA, from the early nineteen fifties onwards, anthropological studies were undertaken of work behaviour in manufacturing industry (Dalton 1948; Roy 1952, 1953, 1954). In Britain the development of this sort of approach took longer (Lupton 1963, Cunnison 1964; Sykes 1966). Both the Americans and the British discovered through close observation employees acting on what they perceived to be divergent interests between themselves and their employers. They did this by various means but mainly by adjusting the amount of effort they expended. Where this was not possible, a variety of ways of adjusting what was called the 'effort bargain' or, more broadly the 'wage-work exchange' were in evidence. This finding was generalised in different ways by many researchers. In a penetrating series of case studies, researchers at Columbia University showed how interconnected activities in organisations are. In perhaps the most insightful of these, Gouldner (1954) showed that disturbance of the customary patterns of exchange of work for rewards could cause industrial action as well as new forms of work limitation. By the

nineteen seventies, there was emerging agreement that understanding behaviour at work usually involved some bargaining over rewards.

This key insight was applied in various areas of research. A second generation of industrial anthropologists revealed just how extensive the development of informal workplace organisation in pursuit of benefits can be (Ditton 1977; Mars 1982). By the 1980s a general theory of the exchange of work for wages (especially as it applied to work in manufacturing production) was developed by industrial sociologists and others. Through meticulous studies of absenteeism and turnover in particular, researchers came to the conclusion that working effort was an area of active contest in many work organisations, and this conflict had numerous manifestations (Baldamus, 1961). Industrial relations analysts interested in the formal organisation of the behaviour of groups the workplace extended the range of anthropological and sociological insights to envisage the pervasiveness of conflict. Landmark research by Paul Edwards tied together the wide range of conflicting behaviour found in industrial settings from types which required only informal organisation (such as absenteeism and utilitarian sabotage) to that which required some degree of formal union organisation to be effective (such as working to rule) to that which obviously required much more extensive formal union coordination (such as strike action) (Edwards and Scullion 1982, Edwards 1986). Concepts derived from Marx as elaborated in the work of many researchers (Braverman, 1974, Burawoy, 1979 and Friedman, 1977 among them) and known as labour process theory (LPT) can be seen in many ways as the culmination of the intellectual developments outlined in which conflict is seen as a basic feature of workplace behaviour.

Analysis of the relationships between other groups than shop floor workers and managers were also given impetus by LPT. Some of the most interesting work in this respect is that which focuses on the processes in which occupational groups contest for ascendancy within management. Using the notion of the professional mobility project (Larson, 1977), Armstrong (1984, 1985, 1986) considered the ways in which professional groups within organisations change their situation. Armstrong not only identified the key conflicts between groups of 'professionals in management' but also considers particular professions - engineering, accountancy and personnel management in terms of their attempts to broaden their jurisdiction, and in some cases to aspire to take over the general management of organisations. Other research has shown that even in industries where, of necessity, such professional occupations were strongly represented, such as engineering, senior engineers were often not a dominant voice on company boards. A study of the vehicle industry in Britain, for example, showed that, between the two world wars and after, car companies reduced and marginalised the engineering professionals on company boards. Even where companies were set up by engineers in the first place, such as the Austin car company, directors of British car companies often were not able to ensure that product development concerns were given the highest priority when major strategic decisions were made (Ackroyd and Lawrenson, 1995). A profit-conscious and generalist management controlling industry, as is the case in Britain and the USA, has been relatively unreceptive to the qualities of management by technically specialised professionals.

Another area of conflict and contestation in organisations that has been widely noted concerns the groups that control companies (Zald, 1969). Which groups are represented on boards can be decisive in deciding not only the strategy that a company adopts, but the uses to which assets are put and the distribution of rewards between groups. This makes much of what a board does inherently political and the boardroom a likely site for conflict as different groups contest for ascendancy. In public limited companies, there are three parties to governance, each of which has overlapping membership. Firstly there are owners of the company - the shareholders - which can be a very large and diverse group. Its size and diversity is a weakness when it comes to controlling a large company, and this group has had declining influence. However, shareholders that hold many shares can expect not only to have their opinions heard, but also to have representation on the board of directors. Some will be individual holders of large blocs of shares (but such individuals are becoming increasingly rare). It is more common for the largest shareholders to be institutions (such as pension funds or insurance companies). Secondly, there is the senior management of a company: some of whom will also be directors. Thirdly, there are non-executive directors. These are mainly people supposedly selected because of their experience and knowledge, but we need not expect people from different walks of life to be represented - academics perhaps, or even trade officials. Typically, non-executive directors are either serving executives of other companies or formerly were, and so this group usually has sympathy with the views and priorities of executives.

Board level politics is not to be understood simply in terms of the particular issues and debates occurring at a given time. Clearly, the legal forms and other rules which govern the form that the constitution of companies must take, will also influence the patterns of politics (Charkham, 1994). It is also true that there are complex patterns of alliances that typically arise in the governance of companies to be observed, and these will influence outcomes typically agreed by boards (Scott 1984; 1986, 1997). In addition, there are long term trends, in which the parties to company governance contested with each other. For example researchers have documented increases in the ascendancy of executives over shareholders over a long period. If we follow the ideas of economists about governance, and assume that a company exists for the sole benefit of the owners, we have to conclude that shareholders are typically too weakly represented on boards and that the managers have too much power. The increasing independence of managers as opposed to owners is a standing issue, first researched in the 1940s and often since then (Burnham, 1941; Berle and Means, 1947; Berle, 1955; Scott, 1984; Fligstein 1990). In order to deal with what is seen as the 'agency problem' in governance, top executives have been awarded large rises in their pay and other rewards (share allocations and share 'options' - shares that they may buy at their discretion often at a fixed price) in recent years. The rationale for this is that it is intended to align the interests of executives more closely with those of shareholders. However, it seems very clear that these measures are not securing what they are supposed to, and the trend for executives to acquire even more independence continues. It can be argued that such things as the policy of managers to take their companies private, to take them over in management buyouts, or agree to their company being taken over by private equity interests, are all indications of managers' finally asserting their complete independence from owners and owners' interests.

From this discussion it should be clear that organisations are not fixed entities and the relationships between the groups that comprise them are being continuously negotiated, and that conflict (admittedly often on a modest scale) is the continuous accompaniment of this. Organisations reproduce themselves in roughly the same form much of the time, and change in the relative standing of groups is achieved in very small, incremental steps. That change occurs becomes clear only if we consider roles and relationships over long periods of time. Then we can perceive the effects of the negotiations between parties. Viewed in this way, any organization is what emerges from the relationships between the groups comprising it to which conflict is integral. Indeed it is possible to think in terms of a conflict theory of organization, in which the organisation is seen as a coalition of different groups - each of which has some particular interest in the organization, and having some powers. The organisational configuration considered as a whole comprises the relationships between all groups.

II Conflict Between Organisations

So far it has been suggested that conflict within organisations arises from contestation between different social and economic groups. The conflict between groups, as it works itself out, causes organisational change. A similar conception of the effectiveness of agency (this time at the level of the organisation) can be used when looking at such things as changes in populations of organisations (the totality of the organisations of a particular type) and or organisational fields (the sets of different organisations that constitute a given part of the economy or other institutional matrix). As particular bundles of social groups having distinctive orientations towards the world, the social projects that organisations have differ. As a result they can be seen as necessarily colliding with other organisations as they attempt to reach particular goals and to maximise what they understand to be their advantages. To take an extreme example to exemplify the point: some organisations (for example, political parties or religious sects) may be seen as embodying the social aspirations of a particular group (Zald and Ash, 1967), and are a means by which the groups that created them seek to change the world. In a similar way, commercial organisations may be seen as principally driven by the socio-economic ends and aspirations of some group, though these may be only the money-making goals of the entrepreneurs that set them up and own them. Even an orthodox new business does not necessarily or automatically achieve acceptance, but has to struggle to find a place in the world.

Some indication of the range of possibilities, in terms of the types of collisions between organisations that can occur, is given in Figure two. As is suggested there, inter-organisational conflicts vary from mild and ephemeral to long-term and very acute

Figure two: A range of examples of inter-organisational conflict

INTENSITY OF CONFLICT

		MILD	ACUTE
over and	SHORT- LIVED	Achieving the acceptance of a new organisation	Resistance to take- industrial reconstruction
	DURATION	LONG- TERM	Achieving the legitimacy of a new type of organisation
			Stand-off between class-based organisations

By assuming that organisations will accommodate themselves to existing markets, much orthodox economics and organisational theory is ill-equipped to recognise the differences in outlook and objectives of organisations and the conflicts to which this routinely gives rise. As Etzioni argued some time ago, organisations of different types will involve very different patterns of motivation and modes of attachment by the groups that comprise them (Etzioni, 1961). Etzioni of course distinguished between coercive, utilitarian and normative organisations. But beyond this, there are finer differences within organisations of particular types, that do have an impact on the policy and strategy of firms. Organisations are often dissimilar in terms of the aspirations that drive their owners and leaders, the policies they conceive and the objectives they seek. Market competition is itself only a type of institutionalised contestation, of course, in which conventions and laws supposedly regulate conduct. But seeing the market as a set of conditions with which they must conform, is not automatically accepted by business leaders. Although they are often ideologically disposed to approve of markets they will also seek to limit their effects or even avoid them. If they can be, market conditions are altered. For an entrepreneur, what is seen is not a market, so much as business opportunities, in which the only rule is to raise profitability by any means possible (Anderson et al, 1992). In favourable circumstances, there is the possibility of driving rival firms into bankruptcy, leaving the survivor as a monopoly. There is, of course, also a large literature that shows that business executives, having large resources at their disposal and much to gain by using them, are predisposed to break social rules concerning business practice, and often the law as well, in order to realise their goals (Punch, 1996; Sayles and Smith, 2006).

In order to survive, organisations have to be much more active than either economic theory or orthodox organisational ideas, such as contingency theory, suggests. One of the reasons that contingency theory was finally found wanting and discarded, was because of its lack of political realism: it assumed an absence of political motivation on the part of groups, and indeed that any conflict arising in organisations was both abnormal and necessarily dysfunctional (Mintzberg, 1989). There was also an inability or unwillingness to recognise that the activities of an organisation's members were

motivated by particular conceptions of their own interests, as well as in those of their organisation. For this reason, organisations do not passively adapt to their circumstances, but actively pursue particular strategies and policies. New organisations especially have to make space for themselves and this usually requires an active stance towards other organisations that make up their field. More often than not there is a need to reallocate resources to new activities and displace other organisations. In organisational theory, the successors to contingency researchers fare better in recognising both the differences between organisations, and the need to account for the resulting politics between them. Institutional writer at least recognise that institutional fields are actively coercive, as they assert that organisational fields exert pressures towards conformity. Clearly, organisations do have to obtain what they need to continue in business from the particular types of institutions, and pay the price if they are too dependent (Pfeffer and Salancik, 1978). In the institutional account, then, organisations largely conform to expectations other organisations have of them. The traffic is mostly one way: organisations adopt the patterns of organisation typical in their particular field because doing so confers legitimacy. The social and economic aspirations people have must accommodate themselves to the expectations of the people serving them; and this is especially true if they are dependent on the other institutions for access to key resources. The institutionalist position can be seen as giving reasons why the usual response to challenges to organisations is conformity.

In many ways, the perspective of population ecology (PE), the other major successor to contingency theory, more readily accommodates the view that organisations are vehicles for the aspirations of particular agents. PE is focused on the patterns of growth in specific organisational populations (ie sets of organisations of similar type), the innovation of a new type of organisation follows a specific trajectory. All the examples of innovation of new types of organisations studied by PE analysts – from museums to new kinds of restaurants, show a generally similar trajectory. This is marked by very slow development in numbers in the early years, followed by rapid development once a certain density of the population is achieved, followed by stabilisation in the longer term. Both the slow initial development and eventual stabilisation of the population of a distinctive kind of organisation implies that the organisation has to establish itself. It only gradually gathers recruits and, in the early days, acceptance of the type of organisation is limited. In the case of the rise of a new type of commercial organisation, PE implies that the new type has to establish a market for the services it has to offer, and so to create a demand which, later, as time goes on, becomes so great that it is satisfied only by a large number of organisations of the type. Clearly, in this sort of case the creation of a new type of organisation, may be seen as a kind of social movement in which the organisation not only does something new, but also is the vehicle for the aspirations of a particular group – of museum curators, restaurateurs or whatever. In the language of PE, these processes are written about as new types of organisations invading an ecological niche which has finite resources. Considering the question of how this ‘invasion’ is achieved, the notion that new organisations have to struggle to achieve acceptance seems justified.

So far we have looked at examples of inter-organisational conflict which, even if we have a more accurate and realistic appraisal of them than is commonly envisaged, involve relatively minor conflicts. On the other hand, there clearly are examples where

conflict between organisations is both widespread and acute. Such a case occurs when whole industries are reorganised, or, to use a fashionable if euphemistic word, 'rationalised'. These periods of general economic transformation, the institutional economist Joseph Schumpeter referred to as involving "creative destruction" (1943) because during them large numbers of organisations are deliberately destroyed as well as created. For those whose businesses are forcibly downsized, spilt up, sold off or otherwise rationalised, this might sound too positive a description of what occurs. Indeed, what Schumpeter himself does not call attention to is the fact that these periods of transformation will be led by particular groups who have found new ways of making large gains. Such groups, fairly obviously, often meet widespread opposition, and acute conflict can arise. For example, the extensive period of transformation of US industry in the nineteen eighties was brought about by several insurgent groups (mostly using new organisations which they controlled as and through which they worked). First, there were the principals in new specialist finance houses who had invented new means of financing companies – from which they earned high fees (Johnston, 1987). The activities of these people and their organisations were contested by conventional bankers and business analysts and by regulatory officials. Second there were corporate raiders with their conglomerates, interested in taking over and asset stripping rival companies (See for example, Fallon, 1991: 397-429). These were resisted as far as they were able by the companies that were their targets. Finally there are business executives who had to deal with the takeover bids of their companies, who fought back as best they could, with the help of their own professional lawyers and financiers. It is only a surprise that the big losers from these corporate transformations (which were largely about who would reap the benefits for exercises in corporate downsizing) – the hundreds of thousands employees who lost their jobs (Lazonick and O'Sullivan, 2000; Lazonick, 2005) did not cause very much if any general political disturbance.

It is also important to recognise that there is – or has been - inter-organisational conflict that is both serious and has endured for a long periods. The major example here is the conflict between the capitalist organisations which came to dominate the economy by the late nineteenth century and institutions and practices evolved and developed by the working classes in response to them. In Britain and other parts of Europe, as the economy came to be dominated and large industry and modern management developed, oppositional politics itself underwent a transformation to more organised forms. Before the emergence of the modern economy, the pattern of conflict found in pre-modern and early modern societies would involve rioting, insurrection and rebellion accompanied by widespread destructiveness and loss of life. In England until well into the nineteenth century rioting was common. The Riot Act made the shooting of rioters by soldiers perfectly legal; and this sometimes occurred. With the development of large scale industry and the emergence of trade unions, however (which were of course, increasingly, formally organised), insurrection and riot gradually gave way to striking as the predominant form of conflict. Writing about the evidence of conflict in Britain over the previous two centuries, Cronin (1979) argues that striking became slowly but definitely, differentiated from general forms of political action such as rioting during the nineteenth century. According to Cronin, by the end of the third quarter of the nineteenth century, the strike very gradually emerged as a new and distinctive form of collective conflict. Cronin argues:

It is clear, then, that strikes became differentiated from earlier forms of collective action only slowly, and even in the nineteenth century the separation has been at certain moments precarious... Nevertheless, there is some consensus that the strike became the 'natural' response to distress in England some time between 1850 and 1900.the break appears sharpest before and after 1870...However, the dynamism of protest did not diminish once the transition from the old to the new forms was accomplished (Cronin, p46).

For Cronin there is also a clear implication that, once the 'modernisation' of protest had been accomplished, there was small chance of turning back. By contrast with this, however, other researchers looking at similar evidence, argue for continuing diversity in the forms of conflict, and who argue that modern forms of conflict feature diversity (rallies and protest demonstrations) as well as strikes. In the view of Charles and Louise Tilly, European populations have for long had available and used what they call "repertoires of collective action" (Tilly and Tilly, 1981: 20) of which the capacity for strike action is but one. We shall return to the question of how general protest may best be interpreted in the final section of this article. However, it cannot be regarded as a matter of little importance to note that, since this historical and comparative work on the transformation of conflict noted here was completed in the nineteen seventies and early eighties, strike action (and indeed trade unionism itself in some countries) has collapsed.

III Organisational Conflict – its past and its future

Though not the first to identify conflict as a significant factor in social life, Karl Marx was the first modern thinker to see it as systemic within social formations, and as a cause of change. Although there are many aspects of his work that are questionable, it does contain a penetrating analysis of the rise of capitalism and the way in which conflict is integral to its development. In a certain sense, much of what later theorists of development are doing is correcting and amending Marx, and, in particular, reconsidering what the actual consequences of the rise of capitalism may be.

For Marx, of course, the socio-economic system found in any epoch is driven along by the conflict between classes differently placed with regard to ownership or control of the means of production. Within capitalism, the capitalist class owns the main means of production, which is capital. Capital, of course, can be moved between the liquid form of cash funds, to a material form when it is invested in buildings, plant and machinery and used in production. By contrast with this, the working classes own only their labour and, in order to live, have to sell it in return for wages. Marx's basic insight was that although all production of goods and services is done by labour (in what he called the labour process), ownership of the means of production allowed the capitalist to appropriate the full value of the goods produced (through what he called the valorisation process), whilst paying only a small proportion of its value out in wages. For this reason, there is a conflict over the work-wage exchange at the heart of capitalist organisations. This proposition, as we have seen, finds empirical support in a good deal of the research work reported in the first sections of this chapter. The conflicts in the workplace arising from this basic conflict have been discussed by numerous analysts, especially those concentrating on work in capitalist enterprises as they existed historically. Undoubtedly too, Marxian ideas are valuable in understanding why conflict can be extremely

widespread, as in the recurrent waves of strikes, and diverse, as in the various forms of employee misbehaviour.

However, what we see in the longer term is not what Marx proposed would occur as a result of the development of capitalism. Clearly it did not happen that there was a build up of conflict leading to a final cataclysmic resolution between the organised capital and organised workers. For Marx, the basic conflict is between classes; and arguably he did not analyse enough the effects of the organisations in which these relationships are embodied. For Marx, conflict which originates in the economic sphere (in factories and workshops) can only intensify. Economic institutions generate tensions, but Marx assumed that these tensions cannot be resolved to any degree in the place they are generated. For him, intensifying conflict will eventually spill out from the economy into the political arena in increasing expressions of collective conflict. These will lead, eventually, to the revolutionary transformation of economy and society through political action. So it is for Marx that politics holds out the prospect of the resolution of conflict through the external reorganisation of the economic sphere. Clearly, however, there are some problems with this. One is that this argument underestimates the capacity for economic organisations, and indeed reformed capitalist institutions more generally, to redirect, dissipate and diffuse conflict. Another, and much more fundamental objection, is the assumption that conflicts must be resolved at some point. As Georg Simmel suggested after Marx's death, far from being unnecessary, conflict is constitutive of organisational and social systems and indeed a major source of whatever stability and dynamism such systems have (Simmel, 1902). Simmel points out that the caste type of society, which is very stable, is built on the exclusive, mutual repulsion of the castes. By extension, it is because the antagonisms within capitalism are actually less complete and less balanced, that contestation is active and ongoing, leading to a dynamic pattern of social organisation. The consequences of conflict progressively unfold.

Viewed in this way, it is important to recognise that the rise of capitalism does not only involve the change of economic systems, but also that it is always the accomplishment of a particular social group, and the organisations that group created, and which redirect and channel conflicts in particular ways. In Britain, the site of the first industrial revolution, the advent of industrial capitalism was also a highly successful organisational development project of an industrial petit bourgeoisie. It is a little remarked point, but a highly important one, that the industrial revolution in Britain was achieved by this group without any appropriate legal forms and supports (incorporation, limited liability) to say nothing of modern systems of management and organisation, which had not yet been invented, but which were subsequently thought basic requirements for industrial capitalism. Apart from features of the English system of common law, which already allowed extensive freedom in the ownership and use of private property and which were soon extended to allow the emergence of free markets for labour (Polanyi, 1944), the development of industrial capitalism was first achieved without any very significant institutional supports. The industrial workshop, the prototype of the modern factory, is the single most obvious organisational achievement of this group, and, though it is unremarkable by comparison with what came later, it is the source of the wealth of a whole new class. What this group did was rise to wealth and political influence against the values of the dominant culture, and without access to the land, stores of capital and other resources of the existing social elite. Viewed in this way,

what the rising petit bourgeois class did by creating the first profitable industrial type of organisation, was no small achievement.

In a broader perspective, however, the dramatic reconstruction of the traditional economy – the destruction of the subsistence economy based on agriculture, the rise of industrial capitalism and the creation of labour markets – had the effect of creating new instability and unleashing ramifying conflict. Karl Polanyi, for example, has argued that the creation of a national market for labour in Britain had very extended social and political consequences. While it is true that conflict did not simply accumulate as Marx thought it would, it did not simply go away either and just how extended the consequences have been is a matter of considerable debate. Conflict was redirected by modern capitalism and its associated system of organisations, but how far this was necessary and effective is not clear. As well as constituting the cause of conflict, industrial capitalism produced recognition that social projects and social problems can have organisational solutions. Thus, the development of the economy is accompanied by the development of the state, including nascent systems of pension and welfare provision, as well as oppositional parties and unions. In the longer term, we can see these new institutions redirecting the conflicts still embedded at the core of the capitalist economy. The development of the welfare state, in particular, had the indirect long-term effect of reducing industrial conflict (Hibbs, 1978; Ackroyd, 1997). Thus, Marx and Marxists mistook the outcroppings of extreme conflict (still to be observed in capitalism well into the twentieth century), as indications of impending final cataclysm, when they were not. In fact, viewed in the long term, widespread and violent industrial unrest was becoming increasingly rare, and conflict was gradually being re-routed through finer and more extensive institutional channels. However, commentators on change can be classified into those who think that the channelling of conflict in the modern economy will be rapid and effective, and those who think that the instabilities arising continue, and continue to be, potentially at any rate, deeply destabilising.

A classic source supporting a conflict reduction thesis, in which organisation will have a central role, is the work of Roberto Michels, a friend and colleague of Max Weber. Indeed, some have linked the ideas of Michels – who is famous for formulating what he called the ‘iron law of oligarchy’ - with Weber’s ideas about the rationalisation and bureaucratisation of the Western world. Both writers argue that the historical trend is for formal organisation to take any radicalism out of potentially insurrectionary movements such as revolutionary parties or militant trade unions. After an extended study of German political parties before the First World War, Michels argued that socialist political parties, which, for ideological reasons formulated strict rules regarding democratic procedures and decision-making in the early years of their existence, precisely to preserve the radicalism of their grass roots, would nonetheless be traduced into conservatism by the inherent characteristics of modern bureaucracy (Michels, 1949). Bureaucracies are hierarchies controlled by elites, and Michels therefore suggested in a dictum for which he subsequently became famous: “Who says organisation says oligarchy”. Michels thought, among other things, that de-radicalisation will occur as radical policies had to be translated into actions by organisations governed by bureaucratic rules. The oligarchic monopolisation of control in bureaucratic structures would, Michels thought, dictate the failure of insurrectionary socialism. Before any left party had taken control of any country in the world, Michels wrote confidently: “socialists may triumph, but not socialism”. But there is a clear sense in which Michels and Weber foreclosed the debate

about the effects of modern organisation on insurrection and widespread conflict. Despite the fact that left political parties and trade unions inevitably became bureaucratised, as Michels said they would, this alone did not spell the end of their democratic tendencies, or the end of the conflicts to which they contributed.

Far from eliminating conflict, the formalisation of working class organisation and the development of bureaucracy did not remove conflict. What happened was that trade union organisation did not siphon off or institutionalise the radicalism of ordinary employees. The informal organisation in workplaces, allowing for the day-to-day resistance to management control, continued alongside the formal organisation of trade unions. The two types of organisation existed in a symbiotic and at times very uneasy relationship. In some industries in the UK, the majority of strike action was 'unofficial'; that is, mounted by workers but not recognised by officials in the union organisation; or sanctioned by the union bureaucracy. For long periods, strike action continued to be dependent on the informal organisation of the employees in the workplace to exist at all; not always, or even often, did it gain backing from the official union organisation. Hence, although centralisation and bureaucratisation did become features of the trade unions, the informal oppositional organisation of employees also persisted, and there was a mutual dependency between them. So it was that industrial protest and conflict was not eliminated very completely or quickly, as Michels and others predicted. Clearly, oppositional movements gain their vitality from the grievances formed in the collective experience of people, and for this reason conflict is constantly renewed.

Another thinker who contributed to the debate about the trajectory of capitalism, and who arguably over-estimated the contribution of organisation to the reduction of conflict, was Joseph Schumpeter, whose ideas we have already mentioned. Recognising that the initial engine of capitalist development was the inventiveness of the bourgeoisie, Schumpeter nonetheless thought that the heavy infrastructure of organisations that emerged as capitalism developed, would contribute to the routinisation of entrepreneurial functions (1943). Schumpeter was actually one of the few economists to take seriously the capacity of capitalism to renew itself, and to find a place for the periods of convulsive change which periodically engulf the capitalist economy. In such times, when renewal gains ascendancy, productive resources are reconfigured to be used in new ways. This means, *inter alia*, discarding old types of organisation and patterns of organisation in favour of new ones. Be that as it may, Schumpeter did not see such processes of creative destruction as likely to occur indefinitely. He argued that, as they developed, large scale organisations would dispense with the need for entrepreneurship, though the routinisation of innovation. In the place of the entrepreneur large organisations would utilise research and development departments, corporate planning functions and the like. Schumpeter went so far as to suggest that the highly developed economy which was dominated by large and bureaucratised firms, interacting with equally large and bureaucratic institutions of the state, were in some ways indistinguishable from socialism. He even envisaged that a transition from highly developed capitalism to socialism would be possible. However, in retrospect, Schumpeter clearly over-estimated the effects of bureaucratisation, and indeed, the fundamental differences between capital and socialism. Indeed, the renewal of capitalism is the predominant tendency, and the shifting alliances to which this gives rise, continue to produce organisational conflict and social instability. The site of significant

conflict has shifted, from tensions between the top and the bottom of people in organisations, to disagreements between elite groups over their share of the spoils.

The verdict of many, perhaps most, contemporary writers and researchers into conflict in and around organisations, is that it has been finally domesticated and contained. Contemporary researchers and writers, particularly those taking a post-structuralist view, caution against the tendency to impute active resistance to people in organisations. The idea that any insurrectionary intent should be attributed to them is ruled out. Indeed, it does seem to be true, that, although some behaviour in organisations can be seen as resistance to managerial control, it does not have subversive motives nor is it likely to be aimed at achieving transformatory effects. Drawing particularly on Foucault's ideas about discipline (1977), post-structuralist writers argue that contemporary managerial control is often exercised through new forms of workplace surveillance (computers, CCTV, appraisal, performance targets). Highlighting the ways that disciplinary processes often impact on employees' sense of themselves, post-structuralists also consider the analytical importance of the subjectivities that typically reflect and reinforce the exercise of power and resistance (Casey 1995). Accordingly, many contemporary analysts seek to demonstrate the disciplinary effectiveness of managerial surveillance regimes (Sewell and Wilkinson 1992, Willmott 1993). Where conflict is manifested, it can have the unintended effect of reinforcing managerial control because opposition is then more visible. For example, Burrell (1988) argues that the effects of resistance frequently feed back into and strengthen control: 'discipline can grow stronger knowing where its next efforts must be directed' (1988: 228). In the understanding of many contemporary researchers, workplace conflict is likely to be small-scale, discontinuous and ineffective.

Arguably, however, some of this post-structuralist work is inconsistent with Foucault's own ideas and particularly with his (1977) assertion that power and resistance are reciprocally constituted. For Foucault power invariably produces resistance, especially in the form of local acts of defiance. The disciplinary effects envisaged by some writers are not inevitable and by no means all forms of resistance end in defeat for subordinates. In certain cases managerial attempts to render misbehaviour the target of further discipline may actually re-invigorate worker resistance. Collinson's (2000) study of resistance strategies found that persistence was more effective (but less common) than distancing. Shop-floor workers distanced themselves from management and the organization, but paradoxically their counter-culture had the effect of reinforcing managerial prerogative and power. By contrast, employees who sought to render those in power more visible and accountable, through the persistent demand for more information and the questioning of decisions, were relatively more effective in achieving change. These two forms of resistance tended to reflect and reinforce quite distinct employee subjectivities, both of which contained important paradoxes, ambiguities and ironies.

In general, by questioning assumptions about subjectivity and identity, post-structuralists seek to produce new ways of thinking about power and resistance in the workplace. They argue that social scientists need to re-think the ways that they typically conceptualise particular practices as resistance (Jermier et al 1994). Many post-structuralist writers also argue that resistance is not only a means by which employees may express their discontent about workplace processes, but it could also enable subordinates to construct an alternative, more positive sense of self to that provided,

prescribed or circumscribed by the organization. Recent post-structuralist studies highlight the multiplicity, ambiguity and potentially contradictory outcomes of these resistant selves (Collinson 2003). Since identities are never fully achieved, they must also be constantly reconstructed (Knights 1990). Challenging conventional notions of identity as a fixed and objective essence, post-structuralists contend that oppositional selves are open, negotiable, shifting and ambiguous (Kondo 1990). Hence post-structuralists view actors as decentred selves whose multiple identities and practices are frequently characterized by insecurities, contradictions and creative tensions. Given these ambiguities and subjective complexities, post-structuralists suggest that any examination of resistance needs to explore its inter-related conditions (that give rise to misbehaviour), processes (meanings, motives and diverse practices) and consequences (impact on selves and organizations). Such arguments are perfectly consistent with the idea that the long term tendency is for the destabilising effects of capitalism to be re-routed. There is not much disagreement between analysts over many of the features of contemporary conflict. However, what disagreement there is appears to be most acute over the question of whether conflict has been effectively dissipated, and whether it retains any capacity for structural change.

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