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***Annotation.** The basic characteristics of the organizational and functional structure of corporate enterprise sector in agriculture. **

***Key words.** Organizational Structure, silske Industr, corporate enterprises, farmers, business associations.*

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CAUSES OF CONFLICT IN INTER-ORGANIZATIONAL RELATIONS

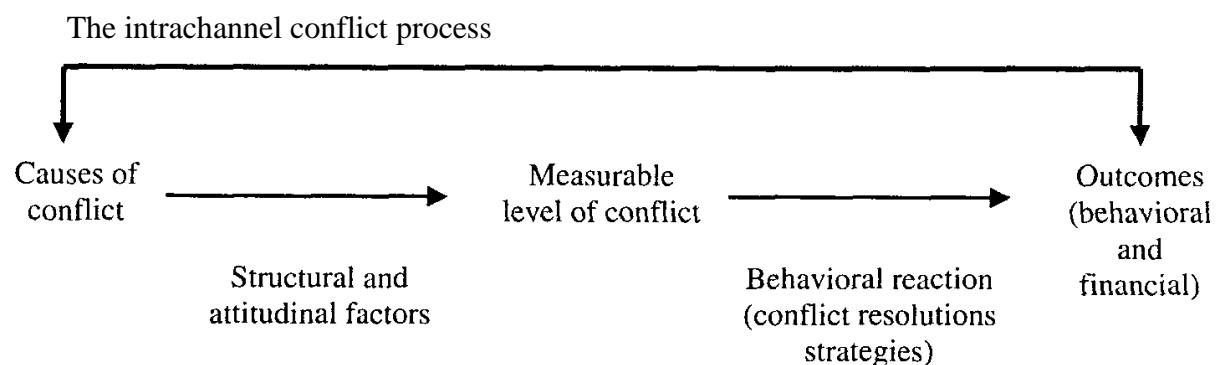
Introduction. Cooperation among enterprises is one of the most essential elements characterizing the contemporary economic reality. Every subject, independently of the kind of conducted activity, must enter into numerous and diverse, changeable and periodic, direct and indirect relationships with different enterprises which are participating in the process of value creation. Cooperation is understood as action of entities in favour of the shared purpose, based on the identification with this purpose, the confidence, the loyalty and activities in best interest of all participants. However, it should be emphasized that every cooperation can contribute to the occurrence of conflicts which may effectively impede and even make it impossible to achieve the determined objectives. Basing on the theoretical aspects, this paper presents the essential causes of conflicts arising among enterprises conducting their activity abroad.

The nature and concepts of conflict. Cooperation is often associated with conflict [Payan 2007, Plank, Newell 2005] perception which is treated as the natural phenomenon arising in the case of undertaking a joint action. It is underlined that in relations in which the functional interdependence appears between subjects, it is omnipresent and practically

inevitable. It constitutes the dominating form of cooperating between elements of the given set and is treated as the essential problem having an influence on activity of the organization [Duarte & Davies 2003, Dyer & Song 1998, Gobeli, Koenig, & Bechinger 1998].

An attempt to define the conflict is an essential problem connected with its analysis. The simplest definition is as the misunderstanding or divergences of activities between two subjects. It should be treated as the natural element of behaviour appearing in different situations, so as conflict among states, organizations, people, ideas, parties, etc [Pondy 1967]. It is possible to be understood as the situation in which at least one, out of a few or a dozen of participants connected in the shared layout or carrying a joint undertaking, is perceived as incompatible with different ones. It means that its stores, abilities, experience or crucial competence don't match the formed alliance. The lack of compatibility may be caused by differences in the scope of the role, purposes, culture and beliefs which prevent the real communication and coordination of activities. In this context a negative effect of conflict is underlined and as far as possible it should be quickly and effectively solved [Tidstrom 2009]. Its elimination requires serious efforts and usually a long time which disadvantageous^ influences the different kind costs. Additionally, the conflict results influence both the quality of the product and services, non-productive behaviours as well as the improper cooperative relations [Skarmeas 2006]. Thus, it should be emphasized that it is this phenomenon which should be avoid in the relationship.

Some authors treat the conflict as the process [Rosenberg & Stern 1971] which starts in the moment when one part notices that the other part negatively interacts with something what is at scope of its care and concerns. And so it is the situation in which one part perceives that the behaviour of the other part of the same channel impedes, limits or delays the achievement of its goals [Duarte & Davies 2003, Chang, Gotcher 2010, Skarmeas 2006, Webb, Lambe 2007].



Zrodlo: L. J. Rosenberg & L. W. Stem (1971), Conflict Measurement In the Distribution Channel, Journal of Marketing Research, vol. VIII, s. 438.

In conflict's view, according to Vaaland and Hakansson, there is a situation in which one subject fully understands expectations in view of it but rejects the methods of acting and behaviour of the second subject [Vaaland, Hakansson 2003]. They emphasize that conflict exists when incompatible activities appear.

The state-of-the-art indicates that conflict not always leads to the adverse situation. From one side it can take cooperating sides to the destruction, destroying or preventing the realization of purposes. However, from second side it stimulates the arrangement participants to undertake the adaptation activity, the develop and be more susceptible to the appearing new possibilities. It is proven that cognitive conflict, based on the constructive discussion, results in the alteration of action with the benefit both for the supplier as well as the purchaser and has a positive effect on the loyalty in the relationship [Jehn, Mannix 2001].

Inter-organizational conflict in terms of empirical examinations. The empirical examinations concerning the economic conditions of the cooperating enterprises development are conducted from 2008 in the form of questionnaire. In their scope the analysis concerned the areas connected with the structure, development and maintenance of the cooperative relations. Conflict is one of the essential aspects which was analysed and which constitutes the inherent element of each cooperation. From this aspect a research problem was formulated and aims at examining the essential causes of conflict appearance and their influence on activity of cooperating enterprises. The research was conducted on 174 entities which according to OECD classification ranks among the group of small enterprises, average and big. The main domain of activity of the examined enterprises are: production of spare parts, details, sub-assemblies, elements and different kind of production services such as assembly, transport, painting, storing, etc. In the examined probe 46 entities, constituting 26.4%, generate their incomes both within the country as well as abroad. Main directions of the activities are directed both towards the EU states as well as Russia, Ukraine and Belarus.

The enterprise task was to determine in five-grade Likert scale (from 1 - lack of income, to 5 - very great influence) the significance of the individual factors influencing the conflict with the foreign partner.

It is stated that fundamentally a lack of the purpose compatibility influences the conflict and it means that every partner differently perceives the cooperation and effects resulting from it. Each of the cooperating parties aspires to accomplish its plans and aims even if their realization would negatively influence the relations with the partner. However, it is underlined that the incompatibility doesn't result only from the diversity of purposes but

rather from the situation in which it is not possible to reach them at the same time. Thus, there are the anxieties that one party can aspire to use the second one and so there is a lack of confidence which is a basic element of cooperation.

The distrust, according to respondents, is the second problem influencing the cooperative relations. Trust in a working relationship have been defined as «...the firm's belief that another company will perform actions that will result in positive outcomes for the firm, as well as not take unexpected actions that would result in negative outcomes for the firm»[Anderson, Nares 1990]. The distrust among enterprises results for many reasons both endogenous as well as exogenous.

Examples of cause-related issues from the research instrument

Cause of conflict	Arithmetic mean	Aberration	Variability factor (k)
Goal incompatibility	4,4	1,0	23,6
The lack of trust	4,3	1,1	25,0
Dispersion of power	4,2	1,0	23,7
Driver to autonomy	4,0	1,3	32,7
Difference in domain	4,0	0,9	22,7
Expectations divergence	4,0	1,2	29,1
Lack of information share	3,7	1,2	33,0
Competition for scarce resource	3,6	1,1	30,2
Use of power	3,6	1,2	33,1
Small commitment	3,6	1,3	35,1
Cultural difference	3,3	1,1	31,6
Non-compliance rules of contract	3,1	1,1	34,5
Unequal share of benefits	3,0	1,2	32,3

Source: own study

The asymmetrical spreading of powers is the next factor contributing to the inter-organizational conflicts which means that one partner has greater power and can try unethically to influence the activities of the second one. It should be emphasized that between the cooperating clients the certain level of interdependence appears and may have symmetrical or asymmetrical character. In the case of the lack of the symmetry one entity becomes dependent on the decision and action of the second one. Such situation is particularly dangerous in case when the initial cooperation proceeds without disruptions and the escalation of conflict follows together with the development of the relationship and with growing dependency. Such relation can be a result of growing cooperation with one partner and its limiting with different ones or connected with the considerable investments towards the cooperation.

To sum up it is possible to state that conflict can cause negative consequences which can have the influence on the rate of the enterprise development, size of incomes and profits and

the proper share in the market. Thus, the attempts in order to counteract the conflicts should be undertaken. One of the effective ways to fight with conflict appearance is frequent, conducted in the proper time communication which can protect from unwanted and unnecessary conflict by leveling perceptions of both sides in relation to the occurred events. It is underlined that perception of the same causes of conflict by particular entities can be differently interpreted. Additionally, the appropriate information exchange positively affects the work coordination of all participants of the channel.

Analysing the conflict character it should be emphasized that cooperating enterprises can easily avoid it if in the process of the relation establishment each one «gives something a miss in order to obtain something» [Tidstrom 2009]. Thus, the base for the creation of the cooperative associations is an interdependence of the organizations which causes that enterprises must give up some attributes of the self-reliance and limit the personal autonomy in order to raise the efficiency and effectiveness of the arising system. The resignation can concern the different areas of the enterprise activity starting from the reduction in or liquidation of supply markets, through production, marketing and research activity and finishing on the distribution and customer servicing. This resignation is connected with a high risk which can have both positive effects, when limitations of activity bring results better than expected, as well as negative effects when results are worse than expected.

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