

COMPROMISE AS NECESSARY CONCEPT OF ORGANIZATION AND MANAGEMENT

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Abstract: *Even in ancient times, people used to compete, or even fight with each other in order to create prestige on numerous issues. The reasons for the conflict were diverse: mastery over a particular territory, expression of machismo in order to win the gentler sex, or providing large quantities of food, better cuts of meat, concerning other tribes, etc. In industrial organizations, the interests are more or less the basis of every conflict, and extreme antagonism could even lead to strikes, work stoppages, and even war. In modern conditions interests for the most part become the main reasons for the conflict. Evolutionary psychology theorists point out that the man still retains the mentality of hunting and gathering fruit from the Stone Age, as well as the needs, impulses and inclinations. People today still look for traits that facilitated survival in the past, such as the instinct to fight for survival when they are in danger, to acquire new knowledge and skills in order to master other men, etc. In such circumstances, winners and losers, and conflicts are being created. The entire business infrastructure today is designed upon interest postulates, in which there are winners and losers, superiors and subordinates, favored and neglected. This paper aims to point out compromise as a concept in modern conditions that can be used to build new relationships and values, and that would eliminate or marginalize the rivalry, competition, and conflict, conditions where all the elements of natural order would win, i.e. would minimize their losses.*

Keywords: *Compromise, phases of compromise, inclination for compromise.*

INTRODUCTION

The fact is that we live in a world where people's needs constantly increase, and at the same time the natural resources with which to meet these needs are becoming smaller and smaller. Darwin in his theory of natural selection stated that stronger swallow the inferior, and that human beings share a common heritage with all other species in the natural order. We should add one more alpha plus, and that is that every single person and organization are based on interests, and that there is no organization in the wider context that is without interests or economic dimension as final in every society.

This statement alone indicates and proves that life is based on the struggle in which only the strongest survive, and only the fastest in modern business. This is true for humans and

for animals and plants. Each of these elements of the natural order individually as well as collectively stands in natural and social inter dependence and the causal connections and relationships. Thus, the natural and social orders are subject to permanent threats and conflicts of which they are often not aware.

In these circumstances and conditions, it is necessary to find the tools and concepts that will reduce the "friction" between the various elements of the natural and social order. The concept of natural selection which had been transferred to the sphere of business and where might makes right, should be replaced with a new system of values in which the loss of an organization is not a condition for the survival and progress of other organizations or individuals. One way of eliminating conflicts, or its marginalization in the natural order, are genetic mutations that produce a variation, such as hearing improving, or sharper teeth, or smaller horns. This way the characteristics of the types that need to survive and develop under the laws of natural selection are upgraded. Thus, genetic mutations are a sort of compromise in the natural order, which by analogy can be applied to organizational systems.[1]

A similar situation exists in organizational systems. Namely, for social or organizational systems it is necessary to introduce compromise or concessions as the primary principle of organization and management. Having said that, it should be noted that compromise is not a goal, but it is a quality instrument for achieving the defined objectives. A key issue in this concept is how to introduce the technology to establish a compromise and preferences of individuals and groups to compromise.

1. HOW TO REACH COMPROMISE?

Compromise tries to balance relationships and interests between people. The starting point is that no individual or part of the organization can maximize their interests, because it conflicts with other individuals, or parts of the organization. This raises the question of why people behave in a way that does not bring any good, but brings damage for all. Evolutionary psychology as science tries to answer this question. Each one of them is trying to accomplish as much interest as he can, or to get as much as possible from the common 'pie.' When these differences in interests become so large, the 'losers' try to gain a more favorable position, thus causing conflicts, including war conflicts which cause a lot of damage, i.e. problems, which can still be felt in the long run.

Conflicts of interest of individuals, organizations and social organizations most successfully can be reconciled if each participant in the conflict gives up something in order to reach equality, and to avoid situations in which there are winners and losers. This method of alignment of interest is called compromise. In contemporary management it represents a primary principle in which none of the participants feels defeated, but we all feel like winners.

The opposite of compromise is malevolent and exclusivity, i.e. inability to accept concessions. [2] These two phenomena are especially harmful for managers and leaders. Strategic managers' inability to compromise typically leads to autocratic management style, with a tendency for autocracy to turn into a dictatorship. Exclusivity leads to disintegration in which individuals move away from each other and try to act autonomously. It turns out that the inability to compromise may not always be seen as a bad thing. The only thing worse are managers for whom compromise is always acceptable.

Reaching compromise is becoming one of the most complex issues in managing organizational systems. It will in the future gain in importance, because there will be a growing interdependence between players in business and in other activities, which will inevitably lead to conflicts of interest. In these circumstances, when all the people, organizations and countries are put in a situation where their interests are harmonized through the free will, the conditions for homogenization and harmonization in achieving business goals are being created. [3]

Management or team leader who leads negotiations must evaluate the possibility of establishing a compromise to avoid wasting necessary energy. Compromise as a way of resolving or preventing conflict is not suitable in following cases:

- When there is no motivation to resolve problem or conflict
- When one of the parties does not keep agreements,
- When there is a threat, or fear to reach an agreement
- When there is a large asymmetry of power between the parties,
- If there are elements of abuse,
- If unauthorized person participate in compromise

When it is determined that there is possibility of compromise, the problem is how to reach it. This is the most difficult question because every situation is unique, and each team also has its specifics that must be taken into account. In the natural order, or in the animal world, we have the rule of the stronger and natural selection. Symbols of strength for animal species are: speed, massiveness, height, jaws, claws, etc. People tend to imitate behavior of animals. Modalities of compromise and the way their establishment may be different. What is certain is that there is no universal concept for the establishment of compromise. People live below their natural features and resources, including the exclusion and inability to use compromise as a way of resolving conflict. According to estimates, should organizational behavior change and should people start to use compromise more, personal and business success would be greater, and people and organizations would be happier, courts would be less burdened, business success would increase. However, it is shown that the exclusivity is largely present in organizational systems today. This forms the conditions for the creation of various modalities of autocratic style and dictatorship. [3]

The biggest problem of compromise is not the relationship between two or more people, but the man himself, i.e. whether and to what extent each individual is will not compromise, both within himself and towards himself. And, naturally, this also depends on the situation in which we search for compromise. The least chance for compromise is when survival of the people is threatened, which corresponds to the old wisdom: 'he who is drowning will accept anything and everything.'

Compromise never occurs by itself. It must be managed just like other phenomena. The most important thing is to determine the causes of conflict, and in accordance with the specified design, build a system that will eliminate or marginalize the source of the conflict. Given that the interest is the major cause of conflict, it is in the sphere of interest we should usually seek the reason for the application of compromise. The most important part is to manage our own emotions. No matter that the classical management requires the elimination of emotions, the fact is that they can never be suppressed completely. Even if this was possible, it would be harmful. Emotional psychology further warns us of this, emphasizing that emotions can never become completely suppressed and that they have primacy over the intellect, or the mind. [1]

Practice shows that compromise is reached when the conflict is evident and when it had escalated. Skilled managers are trying to compromise by eliminating the consequences, rather than to eliminate the causes that led to the conflict. There fore, in future, those who prevent the occurrence of the problem, not those who can successfully solve problems shall be successful.

The best way to establish compromise is to take the role of the party that refuses to compromise and search for reasons why there is no willingness to try to solve problems. On the other hand, the old wisdom says: „Treat others the way you would like them to treat you.” This is the best recommendation for the elimination of reasons for the emergence of conflict, or establishing compromise.

Compromise is closely related to communication. If there is no communication, it is impossible to reach compromise. Hence the need to always keep a minimum of communication, even with the conflicting parties, so that in certain situations we might try for conflict resolution. In a dynamic communication, people get to know each other better, and then better understand each other, and this leads to behavior change or correction of certain attitudes. Analyses show that the lack of communication between spouses is one of the most important factors in divorce. The partners comprehend problems in different ways. In these circumstances, the partners with draw into their own quarters, cease communication, burrow into their own ”bunker” and defend their positions, and in the case of each remaining in their positions, divorce is inevitable. Therefore, in the process of divorce the first step is to try and find compromise.

2. PHASES IN REACHING COMPROMISE

Man in everyday life and work makes concessions; often he is not ever aware of that. Executives in over 40% of cases do not compromise, and those who do usually do not know the techniques and phases of compromise. A large number of managers is not willing to compromise and often respond that they rarely or never make compromises. It turns out that executives are largely uncompromising in the initial phase of conflict, and in time they ‘soften up’ and show willingness to communicate and make concessions.

Practice has shown that compromise is accomplished through the three steps as follows:

- Giving Initiative
- Reaching a compromise
- Implementation of a compromise.

While any other approach is certainly possible, it seems that this approach is the most appropriate and at the same time the simplest. Each phase is important and each stands in causal connections and relationships.

Giving initiative. This is the first step in which one of the participants in the conflicts how a willingness to find a common solution. Practice shows that many managers through their envoys make it clear to the partners their willingness to compromise. It is possible that, be forgiving the initiative, we seek to establish communication, which is a cure for many diseases and vanity. The party that offers compromise should not explicitly indicate the model of compromise, and economics sacrifices that they are ready to bear. At this stage we should perceive the readiness of the other side to accept our offered hand. Of course, this is the most complex phase, because a large number of individuals and organizations are not willing to offer the first solution, given that such a procedure is often assessed as a

weakness. From the initial initiative we might see willingness, i.e. honest intent to reach compromise.

Compromise. The aim of the previous activity was to come to a compromise. This is at the same time and most complex phase, as more concrete issues, harmonize and formalize agreements. The greatest effect is achieved if the compromise is done "step by step" and if the team involves people who were prone to compromise and have the patience to work on it. Practice shows that authorized people should participate in compromise. The biggest mistake is when you get into teams people who lack the power to negotiate and reach compromise. In this phase it is useful to include the persons who will be involved in the implementation.

In this context, a compromise maybe difficult, or obtained with huge efforts. Practice shows that the best way to reach compromise is through consensus, i.e. partners should reach solution through their own free will. If a compromise is reached by voting, it is likely that the problem will arise in the implementation phase. Hence the need for compromise to be clear and formalized in writing.

Implementation of compromise. Compromise should be implemented, which is the hardest part of the job. At this stage, sides should be further willing to compromise, because often in the process of reaching a compromise not all the details are defined, and some can be interpreted differently. In the realization of compromise specialists who have the deployment skills should participate, or those with practical experience. It is useful for executives to be involved in reaching a compromise, in order to know the spirit and ideas which largely facilitate its implementation.

The length of said phases may be different, depending on a number of factors. In any case, the one who takes the initiative should endeavour to reach compromise as soon as possible, while the one who has been offered a compromise should stole. Yet, this principle should be taken with a grain of salt, because if it is evident that lack of compromise can lead to major damage to the interests of both sides, a compromise should be achieved as soon as possible.

3. WILLINGNESS TO COMPROMISE

Willingness to make concessions and compromise in conflict resolution and in life in general in the work of organizations and countries will increasingly gain importance. This is natural, because in the past, people and organizations were significantly more independent and were not in such interdependence, as it is today and will be in the future. Urbanization and concentration of population in large centers contributed to this, where people are doomed to make concessions to each other due to ever smaller space and with the increasing urban over crowding. If exclusivity, especially malignant exclusivity, gains in intensity, civilization will be in big trouble.

Willingness to compromise is conditioned on a variety of situations, factors and personal-ity traits of the individuals involved in the conflict or compromise. It is not only a cultural and sociological phenomenon, but also economic, educational, gender, professional and other factors and forces. It is shown that adaptive societies have a greater inclination towards a compromise, which leads to the so-called adaptive strategy in which compromise is embedded as a way of functioning organizational system. Diversity in organizations for a number of grounds is a great wealth but at the same time a source of exclusion arising from prejudice. Different organizations require balancing, which reduces comfort. In these

circumstances, „managers must know when to get their way, and when they can allow discussion in order to come to a compromise”. [4]

Willingness to compromise is more expressed by people who have a more developed right brain. This is the side that has ability of creativity, intuition, improvisation and instant solutions to problems. Right side of the brain is based on the whole, i.e. it is able to shape the big picture first, which then it breaks down to parts; through the analysis of the whole it reaches qualitative conclusions for making business management decisions. This is especially true for leaders, whose decisions and actions must be based on intuition, or leaders with a more developed right brain; the faster they sense a problem, the more able they are to offer better answers and solutions.

On the other hand, the left side of the brain is capable of setting logical problems and reasoning, analytical, progress and compliance processes and procedures. It processes the information in a linear manner, that is, from the parts to the whole. In other words, the left hemisphere functions starting from the parts, then assembles them in a logical order, and based on this draws the final conclusions. Individuals who have a more developed left brain perform tasks according to predefined plans and priorities, and once they are finished they round out the process and prepare for new challenges.

Determining the level of development of the left or right side of the brain is essential because this diagnosis makes it possible to focus on the side that is less developed but significantly influences compromise. However, research shows that it is best when strategic managers have a balanced development of the left and right hemispheres of the brain. This is logical, as executive directors are found in a variety of situations to which they must respond. In other words, when necessary they have to think logically and methodologically, but at the same time they must be creative and unencumbered by rules and procedures. This statement also applies to compromise, which means that compromise will not always be applied, regardless of the extent to which this phenomenon is preferred by leaders.

Science has found that nature is governed by simple rules, but the experiments did not confirm this view. This was also known to the ancient philosophers. Specifically, they felt that the great truths are simple and right in front of our eyes. Is it possible at the same time both to develop and maintain natural order? Is it possible to be rich and at the same time modest? Finally, is it possible to implement compromise and be successful, i.e. whether exclusivity itself brings business success or is it actually harmful.

It turns out that there is no serious scientific claim to what extent compromise contributes to the business performance, i.e. that exclusion is the cause of failure. Moreover, the practice shows that the exclusive leaders can be successful, especially in the short run. In this context, H. Ford was exclusive in relation to buyers of its cars. This can be inferred from his statement: ‘You can choose whatever color you want, provided that it is black.’ Naturally, this exclusion was possible only because during the reign of Ford it was not a problem to sell the car, as there was small and generally poor offer. Today Ford could not implement this strategy. Instead, Ford shall survive only if he seeks a compromise solution, i.e. he must satisfy customers but also ensure his own survival. Due to the above, Ford factory outlived his owners, i.e. his founders. He shall continue to live provided that he respects the needs of customers, not if he continues to be same old Ford. [5]

Steve Jobs, one of the most successful people in the last two decades for whom the first place was generally reserved in all the world’s list of the most successful businessmen in the world, did not accept compromise, but insisted on the phrase: ‘No compromise.’

Strong personalities and people who have ideas and believe in their ideas and vision often can afford uncompromising behavior. This had both helped and undermined his work, and led him into trouble both with his superiors and with subordinates. Lack of compromise was the novelty of his company, because most technology, i.e. innovative teams used to make only cosmetic enhancements to the product. He often pointed out: 'I know I might be a little difficult for cooperation, but when you hold the product that I imagine in your hands, you are going to laugh about this 'a little inconvenient for cooperation.' Steve was exclusive when it comes to customers. He pointed out that customers do not know what they need and he's the one who needs to show them what is most beneficial for them, which was largely undermined the classic marketing concept as a basis for making management decisions . [6]

The situation is similar with other players from the world of social, business and cultural scene. Charismatic figures such as Alexander the Great, Napoleon, Živojin Misić and others were not inclined to compromise. For example, Napoleon used to say to his associates: 'He who wants to be my equal will be shorter by the head.' He often ignored the suggestions of his associates, which is the phenomenon of exclusion as the major problem in the management of complex systems. Napoleon and other military leaders had dazzling victories even against superior opponents. What is ignored is that the victories were accompanied by massive human casualties and material losses. It must be borne in mind that any goal can be achieved, but the point is the fact that each goal be achieved with as little human and economic casualties. Surely, charisma, or the exclusivity of the above are not solutions; compromise indeed is the solution. Consequently, compromise is a necessity, but it is also both cost effective and a much better solution than exclusion.

It should be noted that the improvement of tendency to compromise is neither fast nor easy to achieve. Evolutionary psychologists point out that significant change in human inclinations within the population through genetic modification would take tens of thousands of years. Hence their claim that the world will continue to change, but human beings will not, at least not the basic features that had existed even in human clans. [1]

4. CONCLUSION

The article identifies the need to establish compromise in modern conditions of life and work. It is shown that the increasing interdependence that objectively exists between all elements of the natural and social order, the uncertainty that exists in social organizations and business in general impose the need for the concept of compromise to be more entertained and thus to complete the relative gap that exists in science of management. Denial of compromise and application of exclusion in solving social and business problems will be less and less possible because the problems will be more and more complex, and competition bigger and bigger. In such circumstances, it is essential that managers of all types and levels learn techniques at all stages and problems in reaching a compromise.

Naturally, management must show willingness to compromise because it is the basis of compromise not exclusion that natural order operates on. It is shown that in the world of great turbulence and ever more scarce natural resources on the one hand, and growing desire and needs of people on the other hand, there is still a place for everyone, provided that he is willing to make concessions. It turns out that the exclusion today is unacceptable and that in the future it will be increasingly marginalized, which is only logical, because

it creates conflict and it creates those defeated and wounded, and this group is more or less never reconciled to the situation, which leads to permanent conflict. In the end, it is useful to recall the saying of Lois Brandeis from 1856: 'The old interpretation of good business meant a transaction in which one party received more than the other. A new sense of good business means a transaction in which both parties benefit.'

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