**CHAPTER FIVE**

**MANAGEMENT OF ORGANIZATIONAL CONFLICT**

Today’s organizations may face greater potential for conflict than ever before in history. The market place, with its increasing competition and globalization, increases differences among people in terms of personality, values, attitudes, perceptions, languages, cultures, and national grounds. With the increasing diversity of the workforce, furthermore, comes potential compatibility and conflict.

**5.1 What Is Organizational Conflict?**

Conflict is a type of behavior which occurs when two or more parties are in opposition as a result of a perceived relative deprivation from the activities of or interacting with another person or group (Litterer 1969, P.382).

Organizational conflict is a disagreement between two or more organization members or groups arising from the fact that they must engage in interdependent work activities and/ or from the fact that they have different statuses, goals, values, perceptions. (Stoner, and Edward, 1989, P. 391)

Conflict is a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about (Robbins, 2003, p. 396).

**5.2 Functional Vs dysfunctional conflict**

All conflicts are not bad. In fact, some types of conflict encourage new solutions to problems and enhance the creativity in the organization. In this case, managers will want to encourage the conflicts. Therefore, managers should stimulate functional conflict and prevent or solve dysfunctional conflict. This is the key to conflict management. However, the difficulty lies in trying to tell the difference between functional and dysfunctional conflicts. The consequences of the conflict can be positive or negative.

1. **Functional conflict** is a healthy, constructive disagreement between two or more people. A recent study of twenty corporations revealed that few managers understand the ways in which conflict can benefit an organization. Functional conflict can produce new ideas, learning, and growth among individuals. When individuals engage in constructive conflict, they, develop a better awareness of themselves and others. In addition, functional conflict can improve working relationships, because when two parties work through their disagreements, they feel they have accomplished something together. By realizing tensions and solving problems in working together, morale is improved. Functional conflict can lead to innovation and positive change for the organization. Because, it tends to encourage creativity among individuals, these positive forms of conflict can translate in to increased productivity. A key for recognizing functional conflict is that it is often cognitive in origin; that is, it arises from someone challenging old policies or thinking of new ways to approach problems.
2. **Dysfunctional conflict** is unhealthy, destructive disagreement between two or more people. Its danger is that it takes the focus away from the work to be done and places the focus on the conflict itself and the parties involved. Excessive conflict drains energy that could be used more productively. A key for recognizing a dysfunctional conflict is that its origin is often emotional or behavioral. Disagreements that involve personalized anger and resentment directed at specific individuals rather than specific ideas are dysfunctional. Individuals involved in dysfunctional conflict tend to act before thinking, and they often rely on threats, deception, and verbal abuse to communicate. In dysfunctional conflict, the losses to both parties may exceed any potential gain from the conflict.

Diagnosing conflict good or bad is not easy. The manager should at the issue, the context of the conflict, and the parties involved. The following are questions can be used to diagnose conflict a manger faces;

1. Are the parties approaching the conflict from a hostile standpoint?
2. Is the outcome likely to be a negative one for the organization?
3. Do the potential losses of the parties exceed any potential gain?
4. Is energy being diverted from goal accomplishment?

If the majority of the answers for the above questions are yes, then the conflict is probably dysfunctional. Once the manager has diagnosed the type of conflict, s/he can either work to resolve it (if it is dysfunctional) or to stimulate (if it is functional)

One occasion in which managers should work to stimulate conflict is when they suspect their group is suffering from group think. When a group fails to consider alternative solutions and becomes stagnant in its thinking, it might benefit from healthy disagreements. Teams exhibiting symptoms of group think should be encouraged to consider creative problem solving and should appoint a devil’s advocate to point out opposing perspectives. These actions can help stimulate constructive conflict in a group.

**Different Perspectives on Conflict**

There are different schools of thought on perspective of conflict. One school of thought - traditional view of conflict argues that conflict must be avoided. Another school of thought, the human relations view argues that conflict is a natural and inevitable phenomenon. The third school of thought is inter-actionist approach which argues that some conflict is absolutely necessary for group to perform effectively. Let us look at each of these views.

**A. The Traditional View**

The early approach to conflict assumed that all conflict was bad, conflict was viewed negatively, and it was used synonymously with such terms as violence, destructive, and irrationality to reinforce its negative connotation. Conflict, by definition, was harmful and was to be avoided

This school of thought has viewed conflict as organizations is often assumed to be unnatural and undesirable to be avoided at all costs and noted that many organizations approach the management of conflict with the traditional view assuming that:

* Conflict is avoidable
* Conflict is the result of personality problems within the organization.
* Conflict produces inappropriate reactions by the persons involved.
* Conflict creates a polarization within the organization.

**B. The Human Relations View**

This view argued that conflict was a natural occurrence in all groups and organizations. Since conflict was unavoidable, the human relations school advocated acceptance of conflict. Conflict cannot be eliminated and there are even times when conflict may a benefit a group's performance.

**C. The Inter-actionist View**

The belief of this view is that conflict is not only a positive force in a group but that it is absolutely necessary for a group to perform effectively.

Such a view of conflict recognizes not only that conflict is unavoidable but also that it should sometimes be encouraged in order to allow new ideas, to surface and to create positive forces for innovation and change.

**Old and Current Views of Conflict**

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| **Old View** | **Current View (cotemporary view)** |
| Conflict is avoidable and harmful | Conflict is inevitable and even necessary. |
| Conflict is caused by management errors in designing and managing organizations | Conflict arises from many causes, including organizations differences in goals, differences in perceptions and values of specialized personnel, and so on. |
| Conflict disrupts the organization and prevents optimal performance. | Conflict contributes to and detracts from Organizational performance in varying degrees. |
| The task of management is to eliminate conflict. | The task of management is' to manage the level of conflict and its resolution for optimal organizational performance. |
| Optimal organizational performance requires the removal of conflict | Optimal organizational performance requires a moderate level of conflict. |

Here what we have to understand is that the inter-actionist view does not consider that all conflicts are good. Rather, some conflicts support the goals of the group and improve its performance; these are functional, constructive forms of conflict, In addition, there are conflicts that hinder group performance; these are dysfunctional or destructive forms of conflict

**5.3. Cause of conflict in organizations**

Conflict is pervasive in organizations. To manage it effectively, managers should understand the many sources of conflict. They can be classified into two broad categories.

1. **Structural factors** – The cause of conflict related to the organization’s structure include specialization, interdependence, common resources, goal differences, authority relationships and status inconsistencies.
2. **Specialization-** When jobs are highly specialized, employees became experts at a certain tasks. For example, at one soft ware company, there is one specialist for databases, one for statistical packages, and another for expert systems. Highly specialized jobs can lead to conflict, because, people have little awareness of the tasks that others perform.

A classic conflict of specialization is one between sales people and engineers. Engineers are technical specialists responsible for product design and quality. Sales people are marketing experts and liaison with customers. Sales people are often accused of making delivery promises to customers that engineers cannot keep because the sales force lacks the technical knowledge necessary to develop realistic delivery deadlines.

1. **Interdependence-** Work that is interdependent requires groups or individuals to depend on one another to accomplish goals. Depending on other people to get work done is fine when the process works smoothly. However, when there is a problem, it becomes very easy o blame the other party, and conflict escalates. For example in a garment manufacturing plant when the fabric cutters get behind their work, the workers who sew the garments are delayed as well. Considerable frustration may result when the workers at the sewing machines feel their efforts are being blocked by the cutter’s slow pace.
2. **Common resources-** Any time multiple parties must share resources, there is potential for conflict. This potential is enhanced when the shared resources became scarce. One resource often shared by managers is secretarial support. It is common for a secretary to support five or more managers, each of whom believes his/ her work is more important. This put pressure on the secretaries and leads to potential conflict s in prioritizing and scheduling work.
3. **Goal difference-** When work groups have different goals and these goals may be incompatible. For example, in one cable television Company, the salesperson’s goal was to sell as many new installations as possible. This create problem on the service department. Because, it’s goal was timely installations. With increasing sales, the service departments work load became backed up, and orders were delayed. Often these types of conflicts occur because individuals don’t have knowledge of another department’s objectives.
4. **Authority relationships-** The nature of a traditional boss-employee relationship brings to mind a vision of a hierarchy or of a boss who is superior to employee. For many employees, this relationship is not a comfortable cure. Because another individuals has the right to tell them what to do. Some people resent authority store than others, and obviously this creates conflicts. In addition, some bosses are more autocratic than others. This compounds the potential for conflict in the relationship. As organizations move towards the team approach and empowerment, there should be less potential for conflict from authority relationships.
5. **Status inconsistencies-** Some organizations have a strong status difference between management and non management workers. Managers may enjoy privileges such as flexible schedules, personal telephone calls and longer lunch hours that are not available to non management employees. This may result in resentment and conflict.
6. **Personal factors** – The causes of conflict that arise from individual differences include; skill and abilities, personalities, perceptions, values and ethics, emotions and communication barrier.
7. **Skills and abilities**- The work force is composed of individuals with varying levels of skills and ability. Diversity in skills and abilities may be positive for the organization, but it also holds potential for conflict, especially when jobs are interdependent. Experienced, component workers may find it difficult to work alongside with new and unskilled recruits. Workers can become resentful when the new boss, fresh from college, knows a lot about managing people but is unfamiliar with the technology with which they are working.
8. **Personalities-** individuals don’t leave their personalities at the door step when they are entering the work place. Personality conflicts are realities in organizations. To expect that you will like all of your co workers may be a /naïve/ inexperienced expectation, as would be the expectation that they will all like you.
9. **Perceptions-** differences in perception can also lead to conflict. One area in which perceptions can differ is the perception of what motivates managers and workers do not have a shred perception of what motivates people, the reward system can create conflicts. Managers usually provide what they think employees want rather than what employees really want.
10. **Values and ethics**- Differences in values and ethics can be sources of disagreement. Older workers, for example, value company loyalty and probability would not take a sick day when they were not really ill. Younger workers valuing mobility like the concept of “mental health days” or calling sick to get away from work. This may not be true for all workers, but it illustrates that differences in values can lead to conflict.

Most people have their own sets of values and ethics. The extent to which they apply these ethics in the work place varies. Some people have strong desires for approval from others and will work to meet other’s ethical standards. Still others operate seemingly without regard to ethics or values. When conflicts over values and ethics do arise, heated disagreement is common because of the personal nature of the differences.

1. **Emotions-** The mood of others can be a source of conflict in the work place. Problems at home often spill over into the work arena, /area/ and the related moods can be hard for others to deal with.
2. **Communication barriers***-* Communication barriers such as physical separation and language can create distortions in messages, and this can lead to conflict. Another communication barrier is value judgment, in which a listener assigns a worth to a message before it received. For example, suppose a team member is a chronic complainer. When this individual enters the manager’s office, the manager is likely to devalue the message before it is even delivered. Conflict can then emerge. Many other communication barriers can leads to conflict.

**LEVELS OF CONFLICT IN ORGANIZATIONS**

Organizations exist based on various groups and departments where scares resources have to be put in to use through various processes. Systems and subsystems exist in the organizations that are managed by individuals and work teams or work groups. While interacting with each other on individual, team or group levels, there may be occasions when conflict occurs due to perceptual differences. The conflict may be intra-personal, inter-personal, intra-group, inter-group or intra-organizational in nature. It is important to note that the prefix **inter** means “**between**”, whereas, the prefix **intra** means “**within**”.

**Intra-personal Conflict**

Intra personal conflict is also called the conflict within the individual. This type of conflict can be of two types

(a) **Value conflict:** Every individual has to play certain roles, which conforms to his value system. However, there are certain situations when an individual may have to compromise on value system and beliefs. For example, finance manager of an organization, while submitting tax returns to the government may conceal some facts, which may go against his belief and value system. This situation may cause tension and conflict within the individual.

(b) **Decision-making:** Problem solving is one of the important jobs every individual has to undertake in work environment. Every problem has various courses open. At times it is difficult for a person to select an appropriate course of action. This situation causes conflict within the individual. He therefore will have to take decisions based on the past experience and the knowledge. It may be noted that decision-making has become simpler these days due to firstly; information technology where required data is available and secondly, group decision is the norm in most of the organizations.

**Inter-personal Conflict**

Inter-personal conflict relates to conflict between two or more individuals and is probably the most common and recognized form of conflict. Interpersonal conflict is caused due to disagreement over goals and objectives of the organization. These are heightened due to difference of opinion of individuals and when issues are not based on facts. Every organization is full of unresolved issues, problems and differing situations that lead to conflict. Conflict can also take place between one person of a group with another person of the same group or another group on issues relating to decision-making. Individuals may have a difference of opinion on selection of a particular course of action that will lead to disagreement and often result in the conflict. It is the merit of the issue, and willingness of members of the organization to accept the others point of view that will avoid the conflict situation.

**Intra-Group Conflict**

Intra-group conflict relates to values, status and roles played by an individual in the group and the group norms. Individual may want to remain in the group for social needs but may disagree with the methods and procedures followed by the group. The conflict may arise when social changes are incorporated in the group. When group faces new problems and when values are changed due to change in social environment. Intra-group conflict is like Inter-personal conflict except that the people involved in the conflict episode belong to a common group.

**Inter-Group Conflict**

Conflicts between different groups, sections and departments are called inter-group conflict. For example, conflict between production and sales departments over the quality being produced and the customer requirements. Inter-group conflict causes due to factors inherent to the organizational structure like independence, inconsistency in various policy matter, variance on promotion criteria, reward system and different standards being adopted for different sub-units and departments. Organizational objectives can only be achieved when all departments work towards attainment of organizational goals. This is possible when interactions between departments are smooth and cordial. Conflict can be avoided by better communication between departments, joint decision making, removing disparity in group goals and paying due respect and displaying concern for other group’s views.

**Inter-Organizational Conflict**

Inter-organizational conflict takes place between two dependent organizations. Conflict can take place between government organization, unions and the operating industry.

Government organizations function to ensure that minimum standards are followed by the organizations. Managers must try and reduce inter-organizational conflicts by adopting positive approach and by following strictly, the rules and regulations laid down by the government agencies. Conflict can also take place between seller and buyer organizations.

**Intra-Organizational Conflicts**

Intra organizational conflict encompasses horizontal, vertical, line–staff and role based conflicts.

*Horizontal Conflict*

Horizontal Conflict is caused due to incompatibility of goals, sharing limited resources and difference in time orientation. It leads to tension, misunderstanding and frustration on the part of both the parties. Horizontal conflict relates to employees or group at the same level. Organizational goal at implementation level vary from department to department. Finance department may not be able to spare additional amount as may be required by research and development department for new product development, which may cause tension, misunderstanding between two individuals or departments. Individuals may not be able to meet the targets of production in given time due to variety of reason that may cause conflict with sales department as the latter would like to flood the market with their product to make the presence felt. It has been seen that due to increased interdependence of individuals or groups to carry out various functions, situations do arise where there is difference of opinion on issues that cause conflict between individuals or groups.

*Vertical Conflict*

Vertical conflict refers to conflicts that might take place between different levels of hierarchy. Conflicts between subordinates and superior occur due to incompatibility. It is generally caused because of differences in perception, value system, goals that may be assigned, cognition and difference in individual behavior. Conflict is also caused due to inappropriate communication between individuals at two different levels.

*Line and Staff Conflict*

Line and staff conflict has been traditional. Line authority creates product and services and contributes directly towards the revenue generation. While staff authority assists line authority and acts in advisory capacity. Staff and line authority have a different predispositions and goals. They have different skills and expertise. Since staff authority (managers) are in the chain of command and have a day to day access to the top boss, have a tendency to dictate terms to the line authority and usually disregard the working knowledge of the line authority. They have tendency to dominate and disregard the efforts put in by line authority managers. On the contrary staff managers have a technical knowhow and they are able to advice the line authority to cut down cost of production and save on wastage etc. Line authority does not like their advice at times. Staff managers get frustrated when their suggestions and ideas are not implemented by line managers and hence the cause for conflict. In the process the organizational goals are not achieved as per plans.

*Role Conflict*

A person in an organization has to perform various roles. Conflict arises when roles assigned to him have different expectation. ‘Time’ management may cause conflict. A person may be asked to take care of an additional section in the absence of section head. Value system in an organization is also a cause for conflict. Supervisor is asked to be honest while he is dealing with sale of the product while the same person may be asked to pay commission to an official from whom a sanction is required to be obtained, thereby causing a conflict situation in the ethical value system of an individual. When an individual is line or a staff employee and also a union representative, has to perform duties of conflicting nature hence a role conflict.

**5.4. Conflict management strategy**

**Competing**

* When quick, decisive actions is vital---e.g., emergencies
* On important issues where unpopular actions need implementing -e.g., cost cutting, discipline.
* On issue vital to company welfare when you know you are right.
* Against people who take advantage of non competitive behavior.

**Collaboration**

* To find an integrative solutions when both sets of concerns are too important to be compromised.
* When your objective is to learn
* To merge insights from people with different perspectives
* To gain commitment by incorporating concerns into a consensus
* To work through feelings which have interfered with relationship

**Compromise**

* When goals are important, but not worth the effort or potential disruption of more assertive modes
* When opponents settlements with equal power are committed to mutually exclusive goals
* To achieve temporary settlements to complex issues
* To arrive at expedient solutions under time pressure
* As a backup when collaboration or competition is unsuccessful

**Avoiding**

* When an issue is trivial, more important issues are pressing
* When you perceive no chance of satisfying your concerns
* When potential disruptive outweighs the benefits of resolution
* To let people cool down and regain perspectives
* When gathering information supersedes immediate decision
* When others can resolve the conflict more effectively
* when issues seem tangential or symptomatic of other issues

**Accommodation**

* When you find you are wrong---to allow a better position to be heard, to learn, and to show your reasonableness
* When issues are more important to others than yourself---to satisfy others and maintain cooperation
* To build social credits for later issues
* To minimize loss when you are outmatched and losing
* When harmony and stability are especially important
* To allow subordinates to develop by learning from mistakes