

CONFLICT MANAGEMENT IN ORGANIZATION¹

Željko Turkalj, Full Professor
Ivana Fosić, Teaching Assistant
Davor Dujak, Teaching Assistant
J.J. Strossmayer University in Osijek
Faculty of Economics in Osijek

Summary

Every organization encounters conflicts on a daily basis. The conflicts cannot be avoided, but it is possible to manage them in a way that we recognize them on time. It is necessary to continuously track the organizational signals which point to their existence.

If we do not react duly, this can lead to the situation that the conflict itself manages the organization. One of the more important determinants of productivity, efficiency and performance, and finally job contentment is also the conflict as an independent variable of organizational behavior. By systematic research of organizational behavior we want to make a positive influence on dependent variables, but first we have to understand and get a good insight into individual elements of organizational behavior. By this paper we want to brighten the meaning of conflict on the organization, the conflict process and possible conflict management styles. We will show the relationship between the level of conflict and the impact on the organizational performance. The here mentioned facts are also tested on the research of conflict management styles, which are used by the employees in the four monitored Slavonija-Baranja organizations, and we will also present their view on conflict and how much does the same have influence on successful course of business of their organization.

Keywords: *conflict, management styles, organization, organizational behavior.*

1. Understanding conflict

Conflicts are an everyday phenomenon in each organization. Conflicts are impossible to avoid, but it is possible to manage them in a way that we recognize the

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conflict symptoms in time. It is necessary to continuously track the organizational signals, which point to their existence. In case we do not react in due time, this can lead to a situation where the conflict itself manages the organization. Problems mostly occur *in those organizations where the business results directly depend on collaboration, team work and creativity, and where having only the results in mind, we tend to forget to take care of people and mutual relationships.*²

Disagreement which occurs when goals, interests or values of various individuals or groups are incompatible, and those people block each other's efforts for accomplishing goals is called organizational conflict³. Reduction of work performance efficiency, reduced communication among employees, motivation fall and ultimate employees' dissatisfaction are only some of the numerous negative consequences of conflict. But the conflict itself does not have to be negative; the majority of conflicts can in fact be an excellent ground for accomplishment of better business results, and an impulse for changes and growth of the organization itself.

Duly recognition and adequate conflict management can lead to series of positive effects like stimulation of creativity and innovation within the company, stimulation of changes towards work quality improvement, reduction of incurred tensions etc.

Moreover, in case conflicts lead to constructive changes they should be encouraged in order to make a good relation among employees based on mutual respect.

Sometimes conflicts should be regarded as a resource which enables us constant new learning, new knowledge and a potential growth and development of organization.

The employees directly involved in the conflict often do not have the opportunity to cope with the whole situation or the impact of all elements in the given situation, mostly because of restricted ability for decision-making.

² Poljak, N., Šehić-Relić, L., (2006): Upravljanje sukobom u organizaciji, Centar za mir, nenasilje i ljudska prava Osijek, Osijek

³ <http://www.hzz.hr/cards2003/userdocsimages/Trening/CONFLICT%20MANAGEMENT%20HRV.ppt> (10.2.2008.)

Throughout the years there were times when conflict was perceived in a different way, so we distinguish: ⁴

- Traditional view of conflict
- Human relations view
- Interactionist view.

Following the traditional view of conflict in '30s and '40s of the last century it is believed that the conflict is something bad, that it is destructive for the organization, and that it should be avoided. It is considered that the sources of conflict are mostly the results of bad communication and lack of trust. According to this standpoint one should avoid conflict, as well as people who make the conflict, so that the work performance be satisfactory.

The main starting point by human relations view is that the conflict is something natural which occurs within every organization. This view is characteristic for the period from the '40s to the '70s of the last century. It is considered that conflicts should be accepted, and that conflicts eventually can lead to better work performance.

Interactionist view is still represented today, and is based on the approach according to which conflicts should be encouraged, because they tend to have a positive effect on creativity and innovation by the employees.

We can notice the division of conflicts in other readings⁵ according to the division through individual theories since its occurrence till today. According to the traditional theory of organization, both neoclassical theory of organization and contemporary theory of organization confirm the afore made division which we also used.

Irrespective of the divisions we can conclude that even today people show an attitude towards conflict in different ways, so there still exists the conventional wisdom that conflict is something bad and that it should be avoided at any cost no matter if there are pieces of evidence in the contrary.

The most frequent question placed on the organizations is why does the conflict occur in organizations? Most common reasons for conflict in organization are the following⁶: disparate personalities, disparate value systems, unclear working duties, restricted resources, improper communication, interdependent working duties (person A cannot do its part of work until person B does its), complexity in organization (more complex organizations are subject to conflict), unrealistic/unclear rules and

⁴ According to: Robbins, P. S.: Bitni elementi organizacijskog ponašanja, "Mate", Zagreb, 1992., p. 174-175.

⁵ see Sikavica, P., Novak, M.: Poslovna organizacija, Informator, Zagreb, 1999., p.

⁶ Fox, R.: Poslovna komunikacija, Hrvatska sveučilišna naklada, Zagreb, 2001., p. 100-101.

standards, unrealistic deadlines, collective decision making (the chance for conflict commensurates with the number of people who participate in decision-making), consensus decision-making (there is no consensus or agreement without conflict), unrealistic expectations (employees who have unrealistic expectations related to content of work, income and possibilities for promotion are more exposed to conflict), unsettled/suppressed former conflict.

It is possible to categorize conflicts in different ways. According to Robbins⁷ it is of high importance to distinguish between functional and dysfunctional conflicts. This author considers functional conflicts as ones which tend to encourage accomplishing organization's goals and improvement of work performance, whereas conflicts which aggravate accomplishing goals are destructive or dysfunctional. It is rather polemical how to estimate which conflict is functional, and which dysfunctional. Namely, the same conflict does not have to be of the same importance through time, as it does not have to have the same meaning for opposite sides in a conflict.

2. Process of conflict

Process of conflict consists of 4 stages or levels of conflict according to which the development of relationships between the sides involved in conflict⁸ is shown.

The first stage is also called as **latent stage** in which certain characteristics, like communication, structure and personal variables, can lead to conflict. It is important to point out that it is not necessary to have the simultaneous occurrence of all three factors (conditions), but occurrence of just one. Communication in organization is very important, in case there is lack of communication in the organization this can lead to conflict. But also to much communication, as well as obstacles in communication, possible lack of understanding or noise in the communication channel can produce conflict as a consequence.

The second stage, **cognition and personalization** stage represents the outcome of the impact of first phase factors. We distinguish two substages in this stage:

- perception of the participants in conflict – which does not mean that conflict has occurred,
- not until there has come to articulation of feelings and expression of awareness of conflict, can we say that the conflict itself occurs.

In the third stage there comes to **conflict manifestation**. There is hostile behavior among participants in conflict and we say there comes to the so called open disagreement.

⁷ Robbins, P. S.: Bitni elementi organizacijskog ponašanja, "Mate", Zagreb, 1992., p. 174.

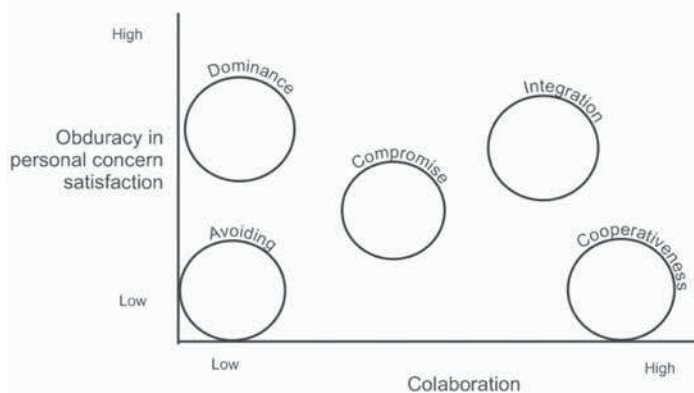
⁸ Ibid p. 176-181.

The last stage in this process of conflict is the **conflict outcome** which shows us the further relationship development of the participants in conflict and consequences of conflict. Consequences of conflict can be manifest through increased working efficacy of the organization in whole or quite the contrary, the decrease of working efficacy.

3. Conflict management styles

The success of the organization depends on the ability of conflict recognition and the very way of conflict management. Conflict management implies integration of all factors which can contribute to conflict resolution or its prevention. Those factors are improvement of communication and practicing discipline in the organization, as well as having in mind the life phases of parties included⁹. Different authors know about various approaches to conflict management. Besides five typical approaches and strategies on conflict management which we will show and explain, it is important to point out that an important role bears also the organization itself as the third party in conflict. The organization appears as the mediator between adversaries or as arbitrator. This third party in organization are managers which by using their experience have to constantly develop new strategies and tactic for conflict resolution by using their experience. Moreover, it is generally acknowledged that conflict represents the most severe test of manager's interpersonal skills¹⁰.

Picture 1. *Conflict management styles*



Source: according to Fox, R.: Poslovna komunikacija, Hrvatska sveučilišna naklada, Zagreb, 2001., p.

On Picture 1. there are approaches, or strategies of conflict management. Basic features of each approach (strategy) are stated below.

⁹ <http://www.hzz.hr/cards2003/userdocsimages/Trening/CONFLICT%20MANAGEMENT%20HRV.ppt> (10.2.2008.)

¹⁰ Whetten, D.A., Cameron, K.S.: Developing Management Skills, 7th edition, Pears Education, Inc. Prentice Hall, New Jersey, 2007., str. 382

Dominance - it occurs when the cooperation is extremely low, and the persistence in satisfying of personal interests high. By this strategy conflict is resolved in a way to satisfy the needs of one party damaging the other party involved in the conflict.

Integration – cooperation is high, as well as the persistence in satisfying of one’s own needs, so there is to be sought for the appropriate solution for all parties involved in the conflict.

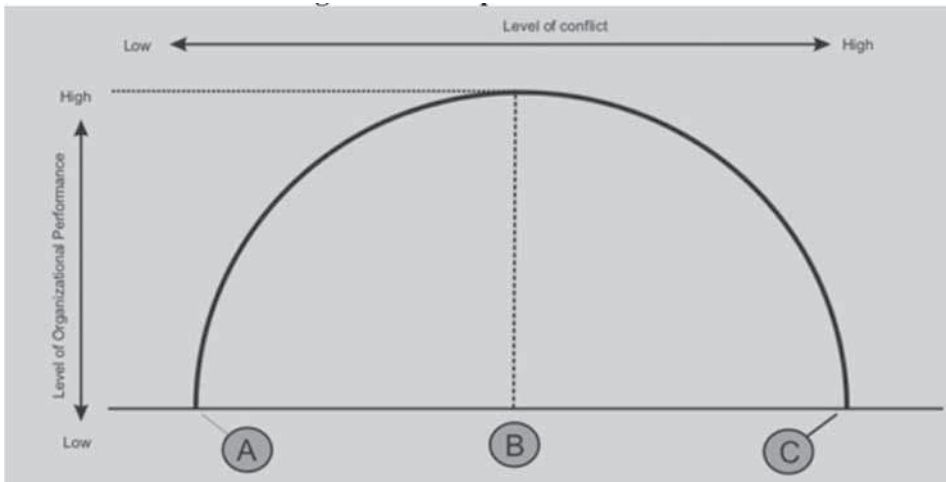
Compromise – there is an equal wish for medium level of cooperation and persistence in satisfying of one’s personal needs, so the conflict is resolved so that each party involved in conflict gives up the part of the value.

Avoiding – when the cooperation as well as persistence in satisfying of one’s personal needs is very low. In that case the conflict resolution will be solved by withdrawal or repression of conflict.

Cooperativeness – the readiness for cooperation is extremely high, and the conflict is resolved by putting the other party’s interests before its own.

4. The relationship between the level of conflict and the level of organizational performance

Picture 2. *The relationship between the level of conflict and the level of organizational performance*



Source : according to Huczynski A.,Buchanan D.: Organizational Behavior, Pearson Education Limited, Harlow, 2001., p. 775.

Picture 2. shows the relationship between the level of conflict and the level of organizational performance. Depiction shows the division on levels A, B, and C, each showing the effects conflicts can have on organization.

Level A shows the low level of conflict in organization which results in low level of organizational performance. By encouraging conflicts in level A we land at the optimum level of conflict, where there is a high level of organizational performance and the medium level of conflict. This level of conflict is marked as B in the picture 2. If conflicts continue to escalate, we arrive at the third level, in which the level of performance decreases, and is marked by C in the picture 2.

The organization should always strive towards the optimal level of conflict, because only reasonable conflicts have positive effects on organization. On the contrary (without conflicts or if the level of conflict is too high) conflicts will result in negative consequences for the organization, as well as for an individual as the party in the conflict.

5. The case of showing the conflicts in Slavonija – Baranja organizations

For the purpose of confirming the above mentioned about the impact of conflicts on organization, concept of conflict from employees' point of view and most frequently used styles of managing conflict, we used besides secondary data, also primary data for making of this paper by making a research.

By doing the research we wanted to find out how often do the employees enter into conflicts with their colleagues and superiors, whether they think that conflicts have an impact on their economic operator's business results, and which conflict management styles they most frequently use when directly involved in the conflict.

The research involved employees of four organizations from Slavonija and Baranja area, which were ready to cooperate.

We carried out a questionnaire for the needs of the research, and the questionnaires were handed in to the employees in person. There were 146 examinees (the employees from four organizations from Slavonija and Baranja area).

The questionnaire comprised 6 units which comprised the elements of organizational behavior, and one unit concerned the issues of conflicts and conflict managing systems in organizations. The questions in the questionnaire were scaled by "closed" answers with offered modality characteristics. Pursuant to the theme of the paper we will point out results of importance for the presentation of this work. We used a PC based program SPSS (*Statistical Package for Social Sciences*) for the statistic analysis of the collected data.

From the questioning of the examinees about the influence of conflicts on business performance of their organization from Table 1. we obtained the visible data which are categorized into several segments: demography (sex, age group, the level of education, workplace, years of service and realized income, and a kind of ownership structure in the organization), and we presented the results according to the

contentment by the communication in the organization, as well as to the influence the employees have on decision-making in the organization.

Table 1. *The impact of conflicts on business performance of the organization*

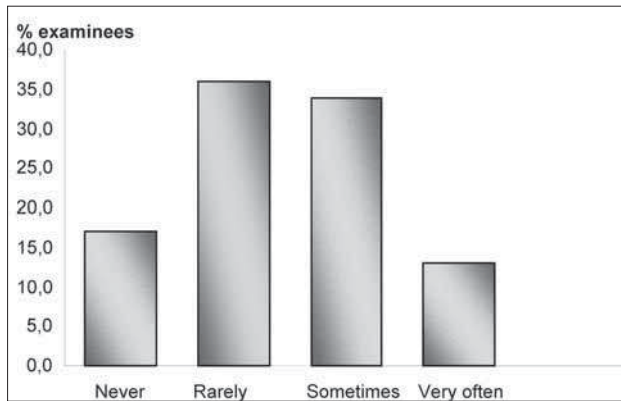
	Do the conflicts have an impact on business performance of Your organization?					
	n	%	Yes	Partially	No	sig.hk
Sex	146	100	24,6	43,1	32,1	0,18
Male	50	34.2	20,0	38,0	42,0	
Female	96	65.7	27,0	45,8	27,0	
Age group	146	100	24,6	43,1	32,1	0,22
to 30 years of age	36	24.6	36,1	33,3	30,5	
aged between 31 and 40	31	21.2	16,1	38,7	45,1	
aged between 41 and 50	52	35.6	19,2	53,8	26,9	
aged between 51 and 60	27	18.4	29,6	40,7	29,6	
The level of education	146	100	24,6	43,1	32,1	0,07
Without high education	65	44.5	15,3	47,6	36,9	
With high education and more	81	55.4	22	39,5	28,3	
Employment	146	100	24,6	43,1	32,1	0,06
First employment	68	46.5	23,5	38,2	38,2	
Second employment	43	29.4	37,2	41,8	20,9	
Third employment and upwards	35	23.9	11,4	54,2	34,2	
Years of service	144	100	24,6	43,1	32,1	0,00
to 5 years of service	42	29.1	45,2	30,9	23,8	
5 and more years of service	102	70.8	16,6	47	36,2	
Income	142	100	24,6	43,1	32,1	0,30
to the average salary in RH more than the average salary in RH	58	40.8	17,2	46,5	36,2	
in RH	84	59.1	28,5	40,4	30,9	
Kind of ownership	146	100	24,6	43,1	32,1	0,03
Private sector	78	53.4	16,6	43,5	39,7	
Government sector	68	46.5	33,8	42,6	23,5	
Communication	146	100	24,6	43,1	32,1	0,00
Dissatisfied by the communication	24	16.4	0	37,5	62,5	
Satisfied by the communication	122	83.5	29,5	44,2	26,2	
Influence on decision-making	144	100	24,6	43,1	32,1	0,00
With influence	43	29.8	32,5	44,1	23,2	
Without influence	67	46.5	17,9	32,8	49,2	
Cannot estimate the influence	34	23.6	29,4	58,8	11,7	

Source: authors' own research

It is interesting that the male examinees mostly agree that conflicts do not have influence on business performance of the organization, whereas female examinees consider that they partially do have an influence on business performance of the organization.

According to the years of service in the organization the employees to five years of service consider that conflicts have a considerable influence on business performance of the organization, whereas employees with five and more years of service consider that conflicts have only partial influence or generally do not have influence on business performance of the organization.

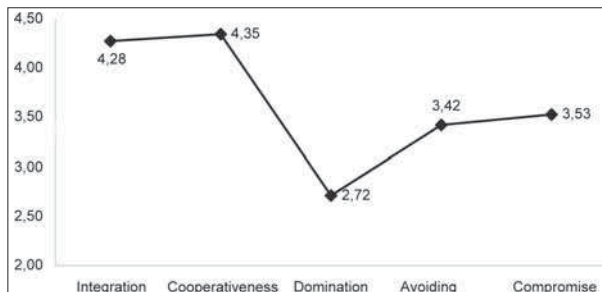
Diagram 1. *Conflict with colleagues and superiors rate*



Source: authors' own research

Diagram 1. shows the obtained results of the total sample on the question: How often do the examinees enter into conflicts with colleagues and superiors in the organization? The obtained answer is that almost 17% of the examinees almost never enter a conflict, while 36% of the examinees enter a conflict rarely. This sometimes happens by the 34% of the examinees, while 13% of the examinees often enter the conflicts with their colleagues and superiors in their organization.

Diagram 2. *Conflict management styles*



Source: authors' own research

The examinees were posed statements which characterized individual conflict management styles according to which the examinees expressed their compliance with the statements according to given modality characteristics (1 – never; 2 – rarely; 3 – sometimes; 4 – often; 5 – always). According to Diagram 2. it can be seen that the employees by resolving conflicts mostly use cooperation as a conflict management style, which is characterized by high cooperation, and the conflict is resolved by putting the other party's interests before its own.

6. Conclusion

Since the conflict is a part of human life, respectively all of its aspects, it is impossible to avoid it in business life. No matter if the organization appears as an economic operator of the economy of a certain country or practices some other services, its employees will more or less enter conflicts. Modern organizations have recognized the necessity of conflicts and do not run away from the conflicts among its employees. Moreover, organizations frequently decide to encourage the conflicts within the organization. The key roles have the managers on different levels of organization who should be educated on the basics of organizational behavior, with the emphasis on conflict management. Only if the managers properly estimate the level of conflict within the organization, then they will be able to decide on the reduction or encouragement of conflicts. The aim of conflict management is to accomplish the optimal level of conflicts on which the level of organizational performance is the highest.

Examining the results on the presence of conflict and the influence it has on business performance of the organization through various segments we can conclude that there is employees' awareness about the necessity of conflicts in the organization. The majority of the employees (even 83%) enter conflicts in the organization, whereby it is significant that the long-time employees more and more do not accept conflict as a factor of business performance of the organization. The reason for this kind of standpoint lies partially in the previous bigger negative experience related to the conflicts which have long-time employees. The difference in conflict perception and influence on the business performance of the organization appears during the analysis of the answer related to that kind of ownership. Namely, there is a significant statistical connection (on the level of significance 0,03) between the private and government sector, where the government sector almost has a twofold bigger percentage related to the issue of how the conflicts affect the business performance of the organization.

It is crucial to encourage the awareness about the positive influence of the reasonable level of conflicts also among the employees. Except that, the employees and

managers should be able to distinguish those conflicts focused on personality from those focused on business problems, and according to that encourage the conflicts focused on business problems to the optimal level, and reduce those focused on people.

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