

# CONFLICT MANAGEMENT IN NIGERIAN CORPORATE ORGANIZATION: THE STRATEGIC APPROACHES

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## **Abstract**

*The uncertainty that accompanies organizational change heightens prospects for intra-organizational conflict.*

*Research into behavior in organizations can be divided into two categories: normative and descriptive. Normative research is concerned with how things should be, whereas descriptive research addresses itself to what is rather than what could or should be. Normative approaches reflect attitudes and beliefs which identify all conflicts as destructive and promote conflict elimination as the formula for organizational success. Descriptive approaches accept conflict as inevitable and consider its proper management the primary responsibility of all managers. Conflict has the potential for either a great deal of destruction or much creativity, and positive social change (Kriesberg, 1998). However, the manner in which conflict is handled or approached determines whether it is constructive or destructive (Deutsch & Coleman, 2000). This dual perspective is most apparent in approaches to the issues of conflict management strategies (handling & solutions) in organization particularly in Nigeria. This paper it is essential to understand the basic processes of conflict management & strategic approaches to it, so that we can work to maximize productive outcomes and minimize destructive ones. Author suggests that the planned intervention by behavioral scientists and the need for*

*interdisciplinary innovative solutions represents the most effective method of conflict management since it can produce organizational change and a sense of personal accomplishment.*

**Key Words:** *Organizational Conflict, Conflict Management, Resolution, Strategic Approaches, Corporate, Managers (Human Resource Management), Nigeria.*

## **Introduction**

This paper will focus on the effects of conflict and the strategic approaches to conflict management in Nigerian corporate organization. This preliminary purpose will create five major areas of concern in this paper viz sources (or causes) and effects of conflict in organization, the approach to conflict and conflict management strategies (handling & solutions), and theoretical approaches (interdisciplinary innovative solutions) to conflict management in corporate organization. The following section will give a brief review of each area resulting in a problem statement and from previous research. The normative conception of conflict strongly influenced by a preoccupation with stability and equilibrium in organizational design, links conflict to violence, destruction, inefficiency and irrationality; Conflict is endemic to all social life. It is an inevitable part of living because it is related to situations of scarce resources,

division of functions, power relations and role differentiation. Because of its ubiquity and pervasive nature, the concept has acquired a multitude of meanings and connotations presenting us with nothing short of a semantic jungle. Like other terms, conflict generates considerable ambivalence and leaves many scholars and managers quite uncertain about

- (i) its meaning and relevance and
- (ii) how best to cope with it. This form of intellectual myopia was especially invidious in suggesting that managers have the responsibility of avoiding, controlling or eliminate conflict in organizations. Although theoretical and empirical research has largely increased our knowledge of intra- and inter-organisational conflict, there are three main areas where sufficient knowledge is sorely missing. These are:

- (1) More theoretically driven empirical research that captures the increasingly dynamic and complex character of intra and inter-organisational conflict, especially in an international context;
- (2) Theoretical and empirical research examining organisational and work related practices of governance and policy making and
- (3) Empirical research based on theory covering work related differences resulting from organisational conflict across national boundaries and in multinational entities within national boundaries. In order to enhance our understanding of current patterns of organisational conflict, an interdisciplinary approach is needed based on comparison in time and space, as well as between different actors and at different levels. This should be done against the background of both empirical practices and their underlying philosophical, political and theological ideologies.

#### Sources of Conflict in Organization

According to Havenga (2002:160) in Christ

Van Tonder (2007) indicated that causes of conflict at the level of the organization could also include resource availability; affirmative action programs; the scope and content of workload; the introduction of new management techniques; and differences of a cultural and racial nature.

With regard to the causes of conflict, it is useful to note that the causes (sources) and 'conditions' of conflict can be linked and collectively regarded as prerequisites for conflict (Jordaan 1993, 25:45). Closer scrutiny of relevant terminology reveals that several authors in fact equate sources of conflict to prerequisites or causes of conflict (Marx 1965; Dahrendorf 1976; Hellriegel et al., 1983; Robbins et al., 2003). Marx (1965) and Dahrendorf (1976) specifically emphasized *freehold* (poverty rights), *poverty*, *social mobility*, *absence of security*, *unemployment*, *competition* and *class consciousness* as causes of conflict. Some of these sources were implicitly identified by the author as forming an integral part of the structure of society. Scholars in the domains of sociology, industrial sociology, behaviorism, and management sciences have since incorporated these causes, in one way or another, in their typologies of the causes of conflict (Ashley & Orenstein 1985; Lopreato & Hazelrigg 1972; Deutsch & Coleman 2000; Ritzer 1992; Turner 1991). Most of these scholars, however, approached conflict and its causes from a macro economics and political perspective and paid very little attention, if any, to conflict as experienced at the level of the individual organization or business, whether small, medium or large. A typology that further categorizes sources of conflict is offered by Nelson and Quick (2001, 424:8) who differentiate between structural factors (causes) i.e. those that develop from within the organization and originate from the manner in which work is organized, and secondly, personal factors, which emerge as a result of individual differences among employees. Although the potential sources of conflict seemingly abound, the important role of communication as a potential source of

conflict appears to be understated. With a few exceptions (Ritzer 1972; Robbins 1998; Vecchio 2000) communication is infrequently considered as a source of conflict. The typologies utilized by the author tends to suggest that the various sources of conflict can be classified into three categories, namely economic, value, and power in accordance with Katz (1965) the early theorists on conflict. Early reviews in the field of conflict resolution identified a large number of schemes for describing sources or types of conflict (Fink, 1968; Mack & Snyder, 1958).

(1) **Economic Conflict** involves competing motives to attain scarce resources. Each party wants to get the most that it can, and the behavior and emotions of each party are directed toward maximizing its gain. Union and management conflict often has as one of its sources the incompatible goals of how to slice up the "economic pie".

(2) **Value Conflict** involves incompatibility in ways of life, ideologies the preferences, principles and practices that people believe in. International conflict (e.g., the Cold War) often has a strong value component, wherein each side asserts the rightness and superiority of its way of life and its politiceconomic system.

(3) **Power Conflict** occurs when each party wishes to maintain or maximize the amount of influence that it exerts in the relationship and the social setting. It is impossible for one party to be stronger without the other being weaker, at least in terms of direct influence over each other. Thus, a power struggle ensues which usually ends in a victory and defeat, or in a "stand-off" with a continuing state of tension. Power conflicts can occur between individuals, between groups or between nations, whenever one or both parties choose to take a power approach to the relationship. Power also enters into all conflict since the parties are attempting to control each other. Therefore, it must be noted that most conflicts are not of a pure type, but involve a mixture of

sources. For example, union-management conflict typically involves economic competition, but may also take the form of a power struggle and often involves different ideologies or political values. The more sources that are involved, the more intense and intractable the conflict usually is. Another important source of conflict is ineffective communication. Miscommunication and misunderstanding can create conflict even where there are no basic incompatibilities. In addition, parties may have different perceptions as to what are the facts in a situation, and until they share information and clarify their perceptions, resolution is impossible. Self-centeredness, selective perception, emotional bias, prejudices, etc., are all forces that lead us to perceive situations very differently from the other party. Lack of skill in communicating what we really mean in a clear and respectful fashion often results in confusion hurt and anger all of which simply feed the conflict process. Whether the conflict has objective sources or is due only to perceptual or communication problems it is experienced as very real by the parties involved.

#### **Effects of Conflict in Organization**

As previously reported by Christ Van Tonder (2008) results of the two-step cluster analysis confirmed the largely organization specific nature of not only the perceived sources of conflict, but in particular also the reported experience and impact of workplace conflict. Consistent with Dijkstra's (2006) observations, conflict as a stressor in the current study elicited unpleasant emotions, which are associated with reduced work performance and individual well-being. Drawing on the Euclidian distance measures which portray similarity/dissimilarity between effects of conflict, it can be surmised, *ceteris paribus*, that a declining performance would be the most obvious and common consequence of these three equally undesirable outcomes of conflict.

The interpersonal and social relations impact

of conflict, as well as the compromised mental, emotional and physical well-being of the employee, represents increasingly severe consequences of workplace conflict. This is important, as differentiated responses to conflict call for differentiated conflict mediation and management strategies. In the Christ Van Tonder (2008) study, the mostly male and longer tenure local authority employee group (cluster 1), manifested with a significantly greater incidence of reported withdrawal, which is not only damaging to the organization and will adversely impact organizational performance, but also suggests and reinforces a conflict strategy best described as 'conflict avoidance'. This in fact appears to be the essence of the response of employee groups two and three to the experienced conflict. The reported effects of conflict as evidenced for these two groups similarly convey a conflict negation or conflict avoidance approach or strategy.

Withdrawal or alienation from peers and superiors in conflict situations echoes an avoidance style of conflict management, while experienced depression may result in a similar avoidance style of dealing with conflict both adversely impacting on the individual and the organization's performance. Evidence of such 'avoidance' of conflict, is also observed in, for example, absenteeism and personnel turnover, as observed by Van de Vliert (1996, 405:25). The observed inefficiencies reported by Van de Vliert (1996) were also recorded by Jehn (1997, 557), who noted that these inefficiencies resulted in poor work performance. This perspective underscores the importance of differentiating between the occurrence (incidence) of conflict and the employee and organization's response to such conflict (e. g. avoidance) as argued by Dijkstra (2006). Not only will such a distinction facilitate understanding of the nature of conflict and its impact on every day employee wellbeing, but it will crystallize the action component in the response to the conflict ('the reaction'). This in turn introduces greater focus and specificity and will result in

differentiated conflict management strategies, which should prove more effective in the resolution of specific sources of workplace conflict. Effective conflict resolution strategies will remove and eliminate the underlying causes of conflict and will reduce the potential for recurrence of similar conflicts in future. The implications of this, however, are that appropriate and accurate data on the sources of conflict should emerge, and secondly, that organizational functionaries and managers acknowledge that conflict resolution is a shared priority (Kreitner & Kinicki 2000, 43), which in turn necessitates a greater involvement of all individuals and groups likely to be effected by the conflict. The fundamental challenge of conflict management is to address the identified sources of conflict effectively and expediently in a manner that will minimize its negative impact on the workforce (Crawley 1995, 5).

#### **The Approach to Conflict in Organization**

Following Ackroyd, S. (2005) 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 generalization is supported, though usually inexplicitly and indirectly, by much other evidence and argument from researchers, including many working in the organizational studies field. Indeed, as we shall see, there is much reason to think that the development of organizations has contributed to a transformation of conflict. Very simply put, what happens with the development of numerous organizations are 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 organizations or organizational societies (Presthus, 1979; Ahrne, 1990; & Urry, 2000) feature only limited kinds of collective conflict. However, this does not support the conclusion that organizations themselves, or the kind of society largely constituted by organizations, have eliminated conflict. On the contrary, the opposite is the appropriate conclusion: by channeling conflict, organizations are amongst the most significant sites for its expression that remain. Still less should we conclude that, by channeling conflict, organizations have somehow removed the capacity for it from individuals and societies. As will be suggested here, conflict is a fundamental fact of organizations themselves and of organizational 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 organizational conflict is important for at least two reasons: (a) it allows us to explain several key organizational 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 century, and is one which continues to have relevance today.

### Conceptual Framework

Conflict is defined as an incompatibility of goals or values between two or more parties in a relationship, combined with attempts to control each other and antagonistic feelings toward each other (Fisher, 1990). The incompatibility or difference may exist in

reality or may only be perceived by the parties involved.

Nonetheless, the opposing actions and the hostile emotions are very real hallmarks of human conflict. Perhaps, major change and continued turbulence in the social, political, technological and economic environments at a global level, but also locally are creating an uncertain and complex environment in which organizations have to operate. Fuelled predominantly by rapid advances in the information and communications technology (ICT) sector, globalism has become both a cause and a consequence of sustained change (Van Tonder 2008), which, by all accounts, appear to be increasing in magnitude and pace (Burnes 2003; Schabracq & Cooper 2000; Vakola, Tsaousis, & Nikolaou 2004; Van Tonder 2007a; 2007b). Increasing uncertainty and complexity in the operating environment of organizations provide fertile ground for the onset of conflict in the workplace (in the vernacular *conflict* is typically viewed as a form of disagreement or argument, or an incompatibility in the views, opinions, principles and so forth of two or more individuals (*The South African Concise Oxford Dictionary* 2002:242). Indeed, an increase in the incidence of conflict is to be expected (De Dreu, Van Dierendonck, & De Best-Waldhober 2002). Given these considerations a strong case can be argued for a heightened probability of conflict in corporate organization on grounds of the influence of, among other, organizational change, affirmative action programs, competition for scarce resources and regular changes in management. In this regard Holtzhausen (1994:19) has argued that organizational conflict can be resolved or managed if the causes are identified and solutions are found which accommodate all the parties involved.

Indeed, attempting to deal with and/or manage conflict successfully without identifying the causes of such conflict is a lost cause (Havenga 2004:04). With conflict being a pervasive phenomenon

in organizations, effective management i.e. dealing with conflict in such a way that it does not recur, is clearly needed. In this regard the management of the origin (or sources) appears to be keyed to the effective management of the conflict. This, in turn, presupposes that managers have a clear understanding of the many sources of conflict in organizational settings (Nelson and Quick 2001:24).

#### Methods of Conflict Management

Conflict can result in destructive outcomes or creative ones depending on the approach that is taken. If we can manage conflict creatively, we can often find new solutions that are mutually satisfactory to both parties.

Sometimes this will involve a distribution of resources or power that is more equitable than before, or in creating a larger pool of resources or forms of influence than before. Creative outcomes are more probable when the parties are interdependent, i.e., each having some degree of independence and autonomy from which to influence the other, rather than one party being primarily dependent on the other. The way and manner we can resolve conflict are

- (1) Everyone must observe & own their behavior & emotion, their thoughts & values,
- (2) Ensure all parties understand each person or group's paradigms and mental models and
- (3) Full disclosure fair, stress, victim, etc and always respect compassion. Given interdependence, three general strategies have been identified that the parties may take toward dealing with their conflict; win-lose, lose-lose, and win-win (Blake, Shepard & Mouton, 1964).

The **win-lose approach** is all too common. People learn the behaviors of destructive conflict early in life competition, dominance, aggression and defense permeate many of our social relationships from the family to the school playground. The "fixed pie"

assumption is made, often incorrectly, that what one party gains, the other loses. The strategy is thus to force the other side to capitulate. Sometimes, this is done through socially acceptable mechanisms such as majority vote, the authority of the leader, or the determination of a judge.

Sometimes, it involves secret strategies, threat, innuendo whatever works is acceptable, i.e., the ends justify the means. There is often a strong we-they distinction accompanied by the classic symptoms of intergroup conflict. The valued outcome is to have a victor who is superior, and a vanquished who withdraws in shame, but who prepares very carefully for the next round. In the long run, everyone loses.

The **lose-lose strategy** is exemplified by smoothing over conflict or by reaching the simplest of compromises.

In neither case is the creative potential of productive conflict resolution realized or explored. Disagreement is seen as inevitable, so therefore why not split the difference or smooth over difficulties in as painless a way as possible? Sometimes, this is indeed the reality of the situation, and the costs are less than in the win-lose approach, at least for the loser. Each party gets some of what it wants, and resigns itself to partial satisfaction.

Neither side is aware that by confronting the conflict fully and cooperatively they might have created a more satisfying solution. Or the parties may realistically use this approach to divide limited resources or to forestall a win-lose escalation and outcome.

The **win-win approach** is a conscious and systematic attempt to maximize the goals of both parties through collaborative problem solving. The conflict is seen as a problem to be solved rather than a war to be won. The important distinction is we (both parties) versus the problem, rather than we (one party) versus they (the other party). This method focuses on the needs and constraints of both

parties rather than emphasizing strategies designed to conquer. Full problem definition and analysis and development of alternatives precede consensus decisions on mutually agreeable solutions. The parties work toward common and super-ordinate goals, i.e., ones that can only be attained by both parties pulling together. There is an emphasis on the quality of the long term relationships between the parties, rather than short term accommodations. Communication is open and direct rather than secretive and calculating. Threat and coercion are proscribed. The assumption is made that integrative agreements are possible given the full range of resources existing in the relationship. Attitudes and behaviors are directed toward an increase of trust and acceptance rather than an escalation of suspicion and hostility. The win-win approach requires a very high degree of patience and skill in human relations and problem solving.

#### **Conflict Management Strategies (Handling and Solutions)**

Christ Van Tonder (2008) would argue that emerging conflicts can have many causes, and many different factors may foster or impede solutions to conflicts. While there is general agreement that conflict handling should strive for efficient solutions without losers (a win-win solution), the fact is that such outcomes are often not feasible. While such infeasibility may be due to objective shortcomings such as reduced opportunity sets, lack of information or information asymmetries, efficient solutions are often impeded by more subjective and psychological elements such as a lack of knowledge, the perceived unfairness of procedures and solutions, self-serving biases or, more generally, bounded rationality. And although it is widely accepted that behavioral and psychological factors are important determinants of outcomes in social interactions, their real economic effects are still largely unknown. Therefore, questions still remain concerning the most successful conflict handling methods and which solutions (including procedures and outcomes) can fruitfully be implemented.

Research into conflict-handling competencies is both important and urgent because organizations increasingly depend on such competencies in order to achieve their goals. In Nigeria' context are in need of interdisciplinary innovative solutions for tasks involving conflicting interests and require competency to handle them. The improvement and theoretically and empirically scientific foundation of such competencies are therefore of utmost importance.

#### **(i) Workplace Behavior: Cause of Conflict and Tool for Conflict Management**

According to the Dutch National Survey on Working Conditions 2006, 15% of employees have felt intimidated at some time by a boss or colleague, and as many as 25% say they have been intimidated by a client. Inappropriate behavior can be partly explained by increasing diversity, assertiveness and insufficient competencies in dealing with conflicting interests and needs. The fact remains that current insights regarding conflicts mean that people in the workplace are still 'conflict incompetent'. The establishment of complaints procedures or whistleblower policies could open conflict up to discussion. Conflicts develop not only around individual behavior, but also around 'the collective', which can lead to collective action. The importance of behavior was underlined in the Dutch National Survey on Working Conditions referred to above: inappropriate behavior is a big problem in the workplace, both nationally and internationally. It therefore requires a structured, scientifically supported, workable solution.

#### **(ii) Contracts**

In organizations and work relations, formal contracts cover only a small part of the activities necessary to keep them working properly and efficiently. The quality of the fulfillment of many tasks that have to be accomplished is not verifiable - or only at very high costs - by third parties. However, such third-party verification is a necessary

condition for the writing of effective and incentive-compatible formal contracts. The incomplete nature of such contracts suggests the necessity of informal agreements, based on psychological factors such as trust and trustworthiness, and gift-exchange relationships between employers and employees.

However, it is not only these kinds of hierarchical work relations that are largely based on informal contracts.

This also holds true, and probably to a much larger extent, for the relationships between employees and, more generally, between any interacting actors in organizations and leads to an extremely complex multiple principle-agent problem where principals and agents are embedded in a network of informal contracts. The complexity and informal nature of such relationships also prepares the ground for conflicts and, paradoxically, for possible solutions because informal contracts are often much more flexible than formal contracts. As there is still considerable uncertainty as to how formal contracts, economic and psychological incentives and informal contracts interact and how they contribute to the emergence of conflicts and their resolution, we need innovative theoretical models as well as controlled and exact empirical investigations. A contract can be described as an agreement between one or more parties regarding a future partnership or the provision of goods or services. A contract forms both the final stage of negotiations and the beginning of a partnership. In both cases, the contract is often founded on a 'mixed motive situation' where, for example, both parties want to extract as much as possible from the contract for themselves. Contracts are of a legal (establishing rights and duties), economic (exchange of goods/services) and psychological (compliments and gifts in return for effort) nature. A potential problem with contracts of any kind is that people, often as a result of distrust, demand too many conditions, which increases transaction costs and makes the working of the partnership

bureaucratic and inefficient. From a collective point of view, it would be preferable to have contracts with only a few explicit conditions, raising the question as to how organizations can induce and manage such contracts legally, economically and psychologically.

### **Statement of Problem**

The impact and consequences of unattended conflict as experienced at the level of the individual organization or business, whether small, medium or large in the workplace on employees and the organization generally (Dijkstra 2006), would argue for immediate attention to the resolution of the conflict rather than a careful and systematic (and invariably more time-intensive) approach to investigating the underlying causes of conflict.

There is little to indicate that organizations actually attempt to establish the underlying causes of institutional conflict. Rather, and in order to resolve conflict, individuals or groups resort to conflict management instruments without first determining what the sources (causes) of conflict are a key element in developing appropriate conflict resolution (Havenga 2004:88). Mayer (2000:8), for instance, argues that if the causes of conflict are known and understood, a conflict map can be developed, which could guide conflict resolution processes. Understanding the different forces that inform conflict behavior consequently empowers the facilitator or manager with the opportunity to develop a more selectively focused and nuanced approach for dealing with the specific occurrence of conflict. Conflict by itself is neither good nor bad. Thus, the problem statement is the manner in which conflict is handled or approached determines whether it is constructive or destructive.

### **Research Questions**

The emerged questions for this study are: Which of the most successful conflict-handling methods and solutions (including procedures and outcomes) can fruitfully be implemented? What is the level of conflict in

your organization? Is the conflict (or lack of it) helping or hurting your organization? What methods of conflict management strategies does your organization use? Which tools do your managers have available to resolve conflict? Find expression in the paper.

### Objectives of the Study

The objectives of the study are in threefold:

- (1) To provide an outline of current theoretical approaches in a number of academic disciplines relevant to organizational conflict & conflict management.
- (2) To identify gaps in current study pertaining to conflict and
- (3) To distinguish four domains in which innovative study on organisational conflict should be initiated.

### (1) Theoretical Approaches

Theorists in disciplines relevant to an understanding of organizations have paid insufficient attention to the role of organizations in a dynamic and increasingly complex environment. Transaction cost economics, addressing the role of organizations in an environment dominated by competitive markets, focuses on the advantages that organizations offer over the market and often ignore the tension that may arise when different organizational forms coexist. This challenge is partially taken up by agency theory and by business history. Agency theory examines organizational conflict emanating from disparate views of principals (e.g. shareholders) and agents (e.g. management and stakeholders) on how an organization should be governed. Business history examines different styles of conflict management through historical comparison.

**Economic Theory** - has powerful formal tools to analyze the conflict arising from opposing interests between principals and agents. Principal-agent and contract theory provide important insights into how contracts should be written such that the most efficient outcomes are generated in a world of incomplete enforcement and monitoring.

Most if not all of the research focuses on intra-organizational conflicts, however. The same research tools can and should be applied to conflict arising between organizations. Some organizations have a hierarchical relationship with one another, which might allow for an extension of principal-agent theory from individuals to organizations. Other organizations are equal players, and should be analyzed using noncooperative and cooperative game theory. A synthesis of agency theory and game theory will prove useful for the joint analysis of inter- and intra-organizational conflict.

**Sociological Theory** - has paid little attention to organizations that cause or face disorder and decay. This is a reflection of managerial interest in factors promoting social cohesion, commitment and success. Classical concepts such as organizational legitimacy, charismatic leadership, normative dignity, and moral community need to be supplemented by a conceptual framework that does justice to the partly conflicting and partly converging interests and objectives that characterize intra- and inter-organizational relations. This need for new concepts coincides with a paradigm shift in *organizational studies* and *labor history*. In organizational studies the shift is from functionalist theory (which conceptualizes organizations as integrated wholes in which conflict constitutes a threat to organizational existence) to institutional and constructivist theories (defining organizations in terms of battlegrounds instead of communities where conflict is an indispensable ingredient of organizational practice). Whereas institutional theory (inspired by *political sciences* and *new institutional economics*) locates the root of intra-organizational conflict in the institutional regimes under which organizations operate, constructivist theory (including an *anthropological perspective*) positions conflict at the heart of processes of meaning-making and sense-making that occur at different levels of organizational practice. In labor history the shift is from national to international and global

comparisons of the path dependency of labor conflicts (viz. *International Review of Social History*, and *International and Working Class History*).

**Psychological Theory** one of the founding disciplines of organization sciences, focusing on personality, motivation, attitudes and learning - has come to lean increasingly towards social sciences, generating criticism from within the discipline because of its lack of a conceptual framework that does justice to the fact that organizations are built up of individuals with partly conflicting interests (Jehn & Bendersky, 2003). One area in which the individual has been the focus throughout is the study of emotions in the workplace. While research has traditionally focused on job satisfaction and how this affects performance and productivity in a negative equation implying conflicting needs between the employee and the manager the health and well-being of individual members of an organization are increasingly viewed in their own right.

## **(2) Gaps in Current Study on Organizational Conflict**

**Intra- and Inter-Organizational Conflict:** According to M.G. van Leeuwen, Netherlands Organization for Scientific Research, Social Sciences argue that the effects of conflict on processes, structures and people within and between organizations are in need of more thorough and integrative research and theorizing. To be able to satisfactorily analyze the organizational arena, recent approaches from several fields of research need to be extended and integrated. Research into conflict around work and organizations is particularly important as it touches the lives of practically every individual. Therefore, extensive research is required to enhance scholars' and practitioners' understanding of how organizations change existing social arrangements and people's working lives. An important though under-researched issue is the potential to learn from failures and conflict-ridden events. For instance, conflicts

can lead to increased corporate control but also to increased creativity and innovation. In addition to paying attention to the destructive potential of conflict, attention should therefore also be given to the opportunities that emerge from intra- and inter-organizational conflict. Another example is the strong path dependency of labor legislation and informal arrangements, national management styles, types of labor organization and the character of social movements.

## **Organizational and Work-Related Practices of Governance and Policy Making:**

According to M.G. Van Leeuwen, Netherlands Organization for Scientific Research, Social Sciences argue that the existing scientific knowledge about conflict around work and organizations is not well aligned with the practice of work and management. Many organizations, for example, do not know how to deal with discrimination, diversity or conflicts within various groups. In addition, little is known about how a culture of conflict avoidance can be changed. For example, there has been little research into the influence on conflict behavior of legislation concerning labor contracts, collective labor agreements and the right of dismissal. Also, few organizations know how to deal with conflicting interests pertaining to employability. We often see that employers want to get rid of those who do not want to go and hold onto those who do. A key issue is how scientific conflict knowledge can be applied in a 'controlled' way, i.e. in an experimental or quasi-experimental way, so that it results in cumulative scientific insight whilst at the same time improving organizations and work.

## **Work-Related Differences Resulting from Organizational Conflict across National Boundaries and in Multinational Entities within National Boundaries:**

A powerful force impacting organizations worldwide is the process of globalization, which refers to the intensification of worldwide economic and social interdependencies as examined by

M.G. van Leeuwen, Netherlands Organization for Scientific Research, Social Sciences and the multiplicity of linkages and interconnections between states, societies and organizations. Globalization describes the process by which events, decisions and activities in one part of the world come to have significant consequences for individuals and collectivities in distant parts of the globe. Processes of globalization accelerate change, lead to turmoil in the markets in which organizations operate and set the stage for intra- and inter-organizational change as a reflection of the turbulent environment. As many organizations are expanding into markets outside their national bases, research into conflict around work and organizations needs to address both cross-border ventures and cooperation in multinational teams within domestic organizations. By entering into cross-border Greenfield investments, joint ventures, cross-border alliances, mergers and acquisitions, organizations seem to be severing their geographical ties with one national economy and are transforming into multinational or even transnational corporations. While advantages of such moves are an increase in scale, organizational growth and innovation, increased risks of conflict and failure have a countervailing effect. Market failure arising from asymmetric information in different environments, clashing legal systems and cumbersome bureaucracies, as well as miscalculations caused by unfamiliar business practices and cultural differences, are more likely in the case of cross-border transactions than in purely domestic transactions. Much depends on the ways in which members of the organizations in question respond to the fact that such challenges upset intra-organizational management practices, work routines, group cohesion and identification. In sum, multinational cooperation in cross-border ventures and multinational teams implies intra- and inter-organizational change with a potential for conflict at different levels. At the contextual level, it manifests itself in complex relationships between multinational

organizations and their socio-economic and political environments. At the institutional and professional level, it manifests itself through the rearrangement of work units and the formation of new teams, comprising staff from different professional backgrounds, levels of training and experience, and organizational cultures and sub cultures. At the social and cultural level, it manifests itself in terms of increasing diversity within organizations with teams including individuals who represent different ages, gender and ethnic, religious and cultural groups.

### **(3) The Domains for Innovative Research**

In the study of conflict related to work and organizations, four core themes can be singled out. Issues of both scientific and social urgency are at play in each of these themes: diversity, conflict management and solutions, behaviour and contracts. These four themes show strong regional and local differences, which have been historically determined and which have to be addressed in particular in the case of cross-border enterprises.

Research on these themes is of great practical and societal relevance, for several reasons. Firstly, many organizations struggle with diversity issues, either because their workforce is not as diverse as it should be to be able to serve their diverse customers well, or because employees with different cultural backgrounds do not communicate well, which may impede organizational performance. Additionally, the potential benefits of diversity may not be exploited to the full. Therefore, society needs research-based solutions to solve diversity issues, including the analysis of conflicts and potential benefits that may arise from increased diversity.

Secondly, organizations and society may also benefit from increased knowledge of how to manage conflicts in more systematic, integrated and effective ways rather than using the ad hoc procedures that abound in many organizations. Thirdly, organisations often suffer from counter-productive, anti-

social, unethical and/or discriminatory behaviour and need proven intervention methods to effectively reduce these behaviours. And finally, employment contracts are under permanent pressure. Both organizations and employees are demanding greater flexibility, yet often in opposing or partially opposing directions. Whereas organizations need employees to work overtime, employees in their turn need flexible arrangements to balance work and their private lives. Moreover, increased flexibility requires changes in the way people perceive or have to perceive their employment contracts with the organization (incomplete and 'psychological' contracts). These days, many organizations stress the importance of employability rather than providing a life-long employment contract. For most employees, however, job security is still of great importance. This opposing flexibility needs increase the likelihood of conflict. 13

#### **Diversity: Intra- and Inter-Organizational Diversity**

*(i) Intra-Organizational Diversity:* Heterogeneity in beliefs and behaviors is a profound reality that any organization, and society as a whole, has to deal with. The multi-faceted increase in diversity witnessed in recent years underlines the importance of a sound scientific understanding of how heterogeneity increases or decreases the risk of conflict (as well as opportunities arising from conflict). Such an understanding is all the more important given that individual actors in organizations tend to be tied together by informal arrangements and to a much lesser extent by formal agreements. Such informal arrangements rely primarily on a common understanding of 'correct' or 'good' behavior (M.G. van Leeuwen, Netherlands Organization for Scientific Research, Social Sciences). In order to understand the determinants of sustained stability and creative change, increased diversity requires the simultaneous examination of global regularities (such as reciprocal behavior) and local (social as well as cultural) specifics of behavior in organizations and entities that rely

strongly on informal arrangements. Equally important is the investigation of the dynamic interplay between heterogeneous behavioral traits and the emergence, evolution and dynamics of conflicts. Only a better scientific understanding of the above-mentioned determinants and elements of conflicts in organizations with heterogeneous actors can lead to a good policy which is able to deal with the challenges organizations face in an era of increasing diversity. For example, past research has shown that while conflict can, under certain specific circumstances, increase productivity, creativity and innovation, the individuals involved still tend to be dissatisfied, leave the organization or have higher absenteeism rates. These facts create a challenge for organizations, and specifically for the executives, managers and employees who attempt to find a balance between increased diversity and competition and the well-being of those exposed to this balance. As a result of macro societal trends such as globalization, migration, individualization, and population decline, relationships within and between organizations are becoming increasingly diverse, particularly in terms of ethnic/cultural origin. These trends towards greater diversity present both an opportunity (to bridge social/cultural discrepancies) and a threat (increased likelihood of tension and conflicts). It is therefore of the utmost importance to practice that new scientific insights are founded on solid empirical historical research and are generated by innovative theoretical and empirical research, such as laboratory, field and quasi-experiments.

*(ii) Inter-Organizational Diversity:* Progressing globalization leads to a dramatic increase in the need for cooperation between organizations with strongly contrasting cultural and social backgrounds. In many organizations - commercial, governmental, semi-governmental and international - this has raised concerns about divergent management and leadership styles, organization cultures and corporate identities as sources of conflict. It has become clear in

recent years that it is difficult to accumulate social capital and cultural competencies, which smooth the interaction with other economies and societies, if they are not rooted in informal arrangements, such as trust. Without denying the importance of formal contracts and their enforcement, we have learnt that trust cannot be fully substituted by formal contractual arrangements and that affection-based principles have to be taken into account. In transnational cooperative ventures the importance of networks formed on the basis of ethnic and cultural affinity and understanding seems to be growing. The gap that emerges between established knowledge and business practices (as in the Nigeria) and the required adaptation to new business environments across borders trigger conflicts that affect cooperation and market behavior. However, it has also been pointed out that ethnic and cultural diversity, generating both rivalry and co-operation, may produce synergy and strength in society at large and in organizations in particular.

#### **Discussions, Recommendations & Conclusion**

Organizations are social entities segmented into hierarchies of departments and individuals. The basic realities of organizational life cannot but stimulate comparisons, competitions and conflicts between departments and individuals. Conflict is an omnipresent feature at each of these organizational levels. Since conflict may have *functional* as well as *dysfunctional* consequences, it is essential that managers explore various methods and techniques of conflict resolution. Effective conflict management in corporate organization is indispensable if coordinated efforts and productive achievements are to result. Author suggests that the planned intervention by behavioral scientists and the need for interdisciplinary innovative solutions

approach represents the most effective method since it can produce organizational change and a sense of personal accomplishment. A wide range of intervention activities may be utilized to deal with conflicts at various organizational levels. It is beyond the scope of this paper to provide a manual that can possibly foresee all the contingencies or to evaluate the effectiveness of different types of intervention. This paper purported to view methods of conflict management as an integral part of the management process. Managers (Human Resources Management) should be able to ascertain the presence of a conflict, its basic sources, the level at which it manifests itself, its degree of intensity and the ways of furthering the objectives of conflict resolution. From a pragmatic viewpoint managers should direct their attention to four issues:

*Is there a conflict?*

*Where is the conflict?*

*Does it require to be managed?*

*How best to implement an effective conflict resolution strategy?*

Organizational conflict and methods of conflict management has only recently begun to receive the attention it deserves. In this paper, the author sought to address ourselves to the two most important issues in this field, namely, the determinants of conflict and the effectiveness of different methods of conflict management strategies. Our task lies in stimulating a more thorough analysis to fill the gap between our knowledge and the realities of organizational life. The managers' task lies in accepting conflict evaluation as part of their role and in developing the creative abilities that are necessary to deal with it. Therefore, conflict is an inevitable fact of human existence. If we work to understand and manage it effectively, we can improve both the satisfaction and productivity of our social relationships.

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