Organisational Conflict and its Effects on Organisational Performance

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Abstract: The aim of this study was to find out the causes, types, effects and strategies on how to manage conflicts in organisations effectively to enhance organisational performance. Therefore, it is the prime responsibility of management to put in place appropriate strategies on how to minimize conflicts. This research contributes to the body of the existing literature; specifically it will inspire managers to develop appropriate strategies on how to manage conflicts in their organisations effectively. The convenience sample of one hundred and thirty managers was selected for the study from government departments, parastatals and private companies. The tabular method was used to analyze the data. The findings indicate that the major cause of organizational conflict is limited resources.

Key words: Conflict, effects, organisation, strategies

INTRODUCTION

Businesses nowadays are operating in a turbulent environment where organisations are searching for measures that will allow them to improve their performance and competitiveness (Dodd, 2003). Conflict is generally regarded as disagreement regarding interests or ideas (Esquivel and Kleiner, 1997). In addition organisational conflict is regarded as the discord that occurs when the goals, interests or values of different individuals or groups are incompatible with those of individuals or groups block or frustrate each others in an attempt to achieve their objectives. Conflict are inevitable part of organisational life since the goals of different stakeholders such as managers and staff are often incompatible (Jones *et al.*, 2000). In addition, Loomis and Loomis (1965) argue that Conflict is an ever-present process in human relations. That is why various organisations have changed their approaches to enable them to manage their organisations effectively to avoid conflicts at all costs. Conflict is a fact of life in any organisations as longer as people compete for jobs, resources, power, recognition and security. In addition, dealing with conflicts is a great challenge to management (Adomi and Anie, 2005). Conflicts commonly arise when employees interact in organisations and compete for scarce resources. Employees in various organisations are organized into manageable groups in order to achieve common goal, therefore, the probability of conflicts to arise is very high. Nowadays, most serious conflicts make headlines in the newspapers, which might affect the public image of the company. Conflicts have both negative and positive outcomes to the individual employees and the organization at large. There is no one source of conflicts which occurs in organisations at all levels of management (Barker *et al.*, 1987). In social life, conflicts do occur but they are managed by family members, friends and relatives. The same case applies to organisations, when conflicts arise; it needs to be resolved by management for the sake of the organisational growth, survival and enhance performance. However, conflicts are rarely resolved easily, to a certain extend most conflicts are managed, as individuals work out differences (Barker *et al.*, 1987). Conflict can occur within groups (intra-group conflict) or among groups (inter-group conflict).
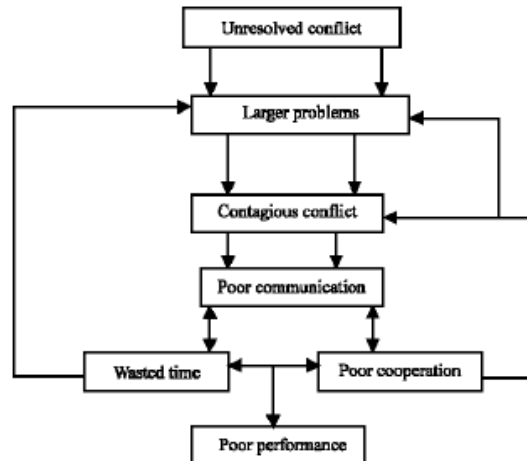
Therefore, the main aim of this study is to examine the sources of organizational conflicts and its effects on organizational performance. It specifically tries to examine in detail, the causes, types, effects and recommend various strategies on how to resolve organisational conflicts to enhance organizational performance.

In any organisation, there are many causes of conflicts; however conflicts within an individual usually arise when a person is uncertain about what task is expected to do, if not clearly defined by the supervisor or the person in charge. Furthermore, if the tasks of individuals working as a group are not clearly defined by the management they will lead to more conflicts. Conflict between individuals may result from role-related pressures. Conflicts would arise between individuals and groups if the goals are not specified for individuals within a group (Duke, 1999). Additionally, the following are other sources of conflicts within an organisation namely: sharing of resources especially manpower, money materials, equipment and space required among departments. Resources are very scarce, people will always have to compete for them and the end result will lead to conflict. Interdependent may also lead to conflict, this usually occurs when two or more units depend upon one another to complete work of a product especially when a product passes through stages, one unit would complete work in good time, but other unit might delay the outcome of the whole product. The management might blame all units involved at each process which might lead to a conflict. Incompatible personalities, which are psychological, might affect the employees not to get along with each other and this difficulty might lead to conflicts, which result from formal interactions with other employees (Robbins, 1987).

Three basic types of conflict are: task conflict, interpersonal conflict and procedural conflict. Group members may disagree about facts or opinions from authorities. The interpretation of evidence may be questioned. Disagreement about the substance of the discussion is called task conflict. Task conflict can be productive by improving the quality of decisions and critical thinking processes. Another potential area for conflict is the interpersonal relationships within the organization. The term interpersonal conflict is used to indicate the disagreement that most people call a personality clash. This clash may take place in the form of antagonistic remarks that relate to the personal characteristics of a group member or disregard any organizational goals to antagonize a particular group member. Conflict of this type is expressed through more subtle nonverbal behaviors. There may be icy stares or, at the other extreme, an avoidance of eye contact. Interpersonal conflict may be inevitable and must be managed for optimal group co-existence.
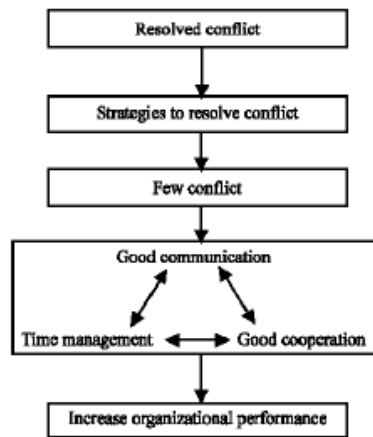
Procedural conflict exists when group members disagree about the procedures to be followed in accomplishing the group goal. New procedures may be formulated and a new agenda suggested. Even the group goal may be modified. Procedural conflict, like task conflict, may be productive (Barker *et al.*, 1987).

Not all conflicts are bad and not all conflicts are good, according to Hocker and Wilmot (1995). People tend to view conflict as a negative force operating against successful completion of group or common goals. Conflict can create negative impact to groups but may also lead to positive effects depending on the nature of the conflict. The positive effects of conflict are: improving the quality of decisions, stimulating involvement in the discussion and building group cohesion. In addition conflict also will be potentially destructive in groups especially when it consumes individual members' energies instead of concentrating on other productive activities of the organisation. However, conflict can interfere with group process and create so much interpersonal hostility that group members may become unwilling or unable to work with others in achieving the organisational objectives. Unresolved conflicts tends to grow into bigger conflicts, the more it grows, the greater the chance of collecting more problems (Knippen and Green, 1999). Similarly, some of these problems, which might arise due to conflict, are lack of cooperation, poor communication, wasted and contagious conflict shown as:

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                    ┌──────────────────────┐
                    │  Unresolved conflict │
                    └──────────────────────┘
                              │  │
                    ┌──────────────────────┐
        ┌───────────│    Larger problems   │◄──────┐
        │           └──────────────────────┘       │
        │                     │  │                  │
        │           ┌──────────────────────┐        │
        │           │   Contagious conflict│◄───────┤
        │           └──────────────────────┘        │
        │                     │  │                   │
        │           ┌──────────────────────┐         │
        │           │   Poor communication │         │
        │           └──────────────────────┘         │
        │               │              │             │
   ┌──────────┐    ┌──────────────────────┐          │
   │ Wasted time│◄──│    Poor cooperation  │──────────┘
   └──────────┘    └──────────────────────┘
              │         │
          ┌──────────────────────┐
          │    Poor performance  │
          └──────────────────────┘
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Source: Knippen and Green (1999)

Management should resolve conflicts properly in their organisation for the sake of increasing organisational performance. The outcome of resolving conflicts in organisation shown as:


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          ┌────────────────────────────┐
          │      Resolved conflict     │
          └────────────────────────────┘
                        │
          ┌────────────────────────────┐
          │ Strategies to resolve conflict│
          └────────────────────────────┘
                        │
          ┌────────────────────────────┐
          │        Few conflict        │
          └────────────────────────────┘
                        │
          ┌────────────────────────────┐
          │      Good communication    │
          │         ↙       ↘          │
          │ Time management ↔ Good cooperation│
          └────────────────────────────┘
                        │
          ┌────────────────────────────┐
          │ Increase organizational performance│
          └────────────────────────────┘
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Source: Knippen and Green (1999)

If conflicts are managed properly by applying the best course of action, the organisation would increase it is performance in terms of utilizing the scarce resources and achieving the organisational objectives.

Conflict improves decision making outcomes, especially on task-related conflict and group productivity by increasing the quality through constructive criticism and individuals adopting a devils advocate role (Amason, 1996; Schwenk and Cosier, 1980). Research has also found that task related conflict is beneficial to the organisation since it allows the exchange of ideas and assist better performance amongst the group members (Jehn, 1995). Other benefits include improved group learning and accuracy in situation assessment (Fiol, 1994), promoted the development of new ideas and

approaches (Baron, 1991) and achieve high quality decisions since individuals confront problems (Schwenk and Valacich, 1994). Conflict is seen as a productive force that can stimulate members of the organisation to increase their knowledge and skills and contribute to organisational innovation and productivity.

Strategies development is necessary in any organisations to curb or reduce conflicts at their infancy stage. These strategies will resolve an existing disagreement between oneself and others (Knippen and Green, 1999).

Robinson *et al.* (1974) advocate that managing conflict toward constructive action is the best approach in resolving conflict in organisation. When conflict arises, we need to be able to manage them properly, so that it becomes a positive force, rather than a negative force, which would threaten the individual or group. Parker (1974) argued that if conflicts arise and there are not managed properly will lead to delays of work, disinterest and lack of action and in extreme cases it might lead to complete breakdown of the group. Unmanaged conflict may result in withdrawal of individuals and unwillingness on their part to participate in other groups or assist with various group action programs in the organisation.

Hocker and Wilmot (1995) discuss several methods of ending conflicts: (1) avoidance, (2) conquest and (3) procedural resolution of some kind, including reconciliation and/or compromise and/or award. Avoidance of conflict often leads to intensified hostility and may later cause greater problems for the group. Therefore, one of the first steps in conflict management is to recognize that a conflict situation exists, don't ignore it since it cannot disappear on its own. Boulding (1962), states that the biggest problem in developing the institutions of conflict control in organisation is to develop an action of plan to identify conflicts at its initial stage. Conflict situations are frequently allowed to develop to almost unmanageable proportions before anything is done about them, by this time it is often too late to resolve the conflict by peaceable and procedural means.

Knippen and Green (1999) argues that the best way to handle conflicts objectively one should follow six process that describes the conflict situation to the other person, asking the other person how he sees the conflict situation, responding the way the other person sees the situation. Jointly, deciding how to resolve the conflict and making a commitment to resolve the conflicts by summarizing action taken by each party to solve the conflicts and promising to be committed in future to continue resolving conflicts which might arise.

Communication strategy has been used to resolve conflicts in many organisations by breaking down the resistance among workers and increasing their trust in impending changes (Graham and LeBron, 1994). In addition, when a group is achieving a goal, there are internal and external problems and one way to resolve the problem is via communication (Appelbaum *et al.*, 1999).

Conflict Management theory state that a healthy conflict management systems should be in place in any organisation. The conflict management systems should be integrated within the system of the organisation and the integration should be at higher level of the organisation hierarchy rather than being interconnection, conflict management is a human sub-system which is achieved trough typical development process. The process starts with assessment and inquiry, addresses the design, implementation and evaluation (Ford, 2007). This indicates that in organisation management must have a system in place to resolve conflicts.

MATERIALS AND METHODS

Research Design

To achieve the objectives of the study, survey research design was adopted and the focus of this study was cross-sectional. The survey approach was used, because it has its own advantages of identifying attributes of a large population from a small group of individuals, the economy of the design

and the rapid approach in data collection (Babbie, 1990; Fowler and Floyd, 1995). In addition it will greatly increase our knowledge about what happens in the study context and it's a strategy perceived as authoritative by people in general and is both comparatively easy to explain and to understand (Saunders *et al.*, 2007).

Sampling Plan

The total number of sample selected for the study consisted of one hundred and thirty managers from government departments, parastatals and private companies in Gaborone. The convenience sampling was used to get the views of the managers selected for the study. The overall response rate was 65.4%.This sample is deemed reasonable because often studies in conflict are based on small samples as pointed out in the previous studies (Nelson, 1988; Spiro, 2002).

Data Collection

In pursuit of this study and achieve its objectives, the research instrument used was questionnaires. The questionnaire was pre-tested with ten managers from the sample size in order to check and ensure that no irrelevant question was present in the questionnaire and hence assesses the content validity. Their suggestions were incorporated. The use of questionnaire was considered most appropriate so that consistency can be maintained in all the respondents. The research instrument was divided into two sections. Part I comprised of demographic information, Part II, comprised of open ended questions like what causes conflicts, types of conflict, impact of conflicts in organisation and strategies on to manage conflict. This was done to get perceptions from managers on issues of conflicts related to causes, types, effects and strategies to resolve conflicts. In the previous research it clearly demonstrates that the questionnaire is the convenient instrument used in collecting data (Suliman and Abdulla, 2005; Adomi and Anie, 2005).

RESULTS

The analysis of data was made by using quantitative approach. This study is more quantitative, therefore other methods were ruled out from an administration point of view and drawbacks of the use of questionnaires are limited to the fact that they were administered during working hours. The data was analyzed by using descriptive method that is the tabular and thematic methods were used.

One hundred and thirty questionnaires were distributed to managers in government departments, parastatals and private companies in Gaborone. Only 85 questionnaires were returned by the respondents which accounts to 65.4%. The remaining were not returned or were misplaced by the respondents accounted to 34.67%. The questions were grouped into six variables with similar characteristics as shown in Table 1. These variables includes whether employees have been involved in conflict, causes of organisational conflict, types of conflict, effects and strategies to resolve conflicts. In Table 1, 94% of managers agree that employees have been involved in a conflict in one way or the other. This reflects in general that employees have been involved in organisational conflict.

However, the major cause of organisation conflict is limited resource and interdependence, which accounts for 29 and 19%, respectively. In addition employees compete in organisation because of limited resources. Competition among the employees might take place in the form of promotion, financial, manpower equipments and information resource. It also reflects that managers do not formulate plans properly which at the end leads to conflicts (14%). Either plans are in place or they are not interpreted and communication to employees effectively and in good time for implementation leading to conflicts. In the variables of types of conflicts which are very common in many organisations, employees agree that interpersonal conflict and inter-group type of conflict are very common in organisations, which accounts to 55% both combined, may be its because of sharing limited resources or furthering individual interest at the expense of organisational interests. Also the results shows that other types of conflicts do exist in organisation as shown in Table 1.

Table 1: Perceived causes and effect of conflict

Items	No.	(%)
Involved in conflict		
Yes	80	94
No	5	6
Causes of conflict		
Poor planning	12	14
Lack of communication	9	11
Limited resources	25	29
Performance criteria	8	9
Interdependence	16	19
Competition	15	18
Types of conflict		
Interpersonal	27	32
Intra-group	10	12
Inter-group	16	18
Procedural	12	14
Task	9	11
Others	11	13
Positive effects		
Builds cooperation	17	20
Helps individuals to develop		
skills on how to manage conflict	6	7
Improving quality decisions.	14	16
Increases organisational	5	6
innovativeness and productivity		
Negative effects		
Interferes with organisation operations	15	18
Lack of cooperation	3	4
Wasting of resources	11	13
No cohesion	10	11
No productivity	4	5
Resolving conflicts		
Compromise	22	26
Mediation	14	16
Collaboration	9	11
Avoidance	8	9
Encourage open communication	15	18
Confrontation	10	12
Withdrawal	7	8

On the issue of effects of conflict to organisational performance variable, the respondents were asked to indicate, what are the benefits of organisational conflict, the results indicates that conflicts have both positive and negative effects to the organisation. This reflects that if conflicts are not resolved properly might affect the organisation adversely in terms of poor performance, lack of cooperation, wasting of resources and productivity. In addition conflict has positive effect to the organisation especially in building cooperation among the employees, encourages organisational innovativeness and improves quality decisions in resolving conflicts which accounts for 49%. Therefore, it's the duty of the management and employees to develop ways on how to promote cohesiveness in organisations and if possible conflicts should be resolved at their infancy stage to enhance organisational performance.

In resolving conflicts, results indicate that most conflicts in organisation are resolved by compromising with parties involved as its rated 26% by the respondents and by encouraging open communication in organisation, 18%. However, in other situations mediation approach is used to resolve conflicts in organisations as it's supported by most of the managers (16 %). In addition other approaches are also supplemented in resolving conflicts. The respondents agree that more than one approach is used in their organisation to resolve conflicts. This reflects that management applies more than one approach to resolve conflicts in organisation. Although the respondents agree that avoidance

and withdrawal are approaches are also used in their organisation in resolving conflicts but they are not given priority compared to other approaches of compromising or encouraging open communication which are considered as more appropriate. This result indicates that the management use approaches which will achieve amicable and acceptable solution to grieved parties. Therefore, it's the prerogative duty of the management to put in place various approaches to resolve conflicts in their organisations, so that the organisations will not be affected adversely by conflicts.

CONCLUSIONS AND IMPLICATIONS

Results from the study indicate that organisational conflicts do exist in organisations. The major causes of organisational conflicts is sharing of limited resources. Employees always compete for the scarce resources. Therefore it's the prime responsibility of the management to ensure that the available scarce resources are utilized properly for the benefit of the organisation and other stakeholders. This approach to a certain degree will minimize chances of conflicts arising in organisation. Employee's performance evaluation criteria should be clearly spelled out and communicated to all employees. Employees should be evaluated impartially considering the performance standard set. Therefore, to avoid the situation of conflicts to arise in organisations related to performance evaluation, the standards set by management should be specific, measurable, achievable and realistic and should have time limit (SMART). In addition the employees should get the progress report on their performance. This will make employees to know their strengths and weaknesses.

Empirical findings show that organisations are adversely affected by conflicts in terms of performance and wastage of scarce resources. Similarly organisational conflicts do have positive effects to the organisation especially in increasing organisational innovativeness and improving the quality of decisions in the organisation. In addition conflicts build the spirit of teamwork and cooperation among the employees of the organisation. This occurs especially when they come together to resolve the conflict.

Although conflicts have both negative and positive effects, the management and the employees should work towards achieving the positive effects rather than the negative.

Managers should develop appropriate strategies to resolve conflicts as they arise in their organisations (Adomi and Anie, 2005). Management should put in place the procedures to be followed to resolve any conflict which might arise in the organisation. The procedures in place to resolve conflicts should be communicated to all employees. For instance, when any disagreements arise among the employees, it should be reported to the management and then management should get statements from the parties involved, brainstorm the issue and make recommendations on how to resolve the conflict. The outcome of the resolution should be binding to all parties involved and they should commit themselves that in future, they will continue to resolve conflicts as they arise amicably. Therefore, depending on the nature of the conflict it's recommendable that the management should apply more than one strategy to resolve it.

Managers in various organisations should encourage open communication policy, so that all employees should get the right information at the right time. This to some extend will minimize the degree of suspicion about the organisation financial position. Employees should be allowed to have access of the financial statements to see how their organisation is performing.

The results of the study make pertinent contributions to existing literature of organisational conflict. The findings from this study will inspire managers in various organisations to develop best strategies on how to resolve conflicts in their organisations; specifically managers should be in a position to understand the causes of organisational conflicts in their sphere of management and then develop appropriate strategies to resolve conflicts at the infancy stage.

The major weakness of this study is that it focused on sample size which does not give a comprehensive view on conflicts. Therefore, there is need to conduct a comprehensive study with focused groups discussion to make concrete conclusions on organisational conflicts and develop appropriate interventions to manage it effectively.

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