

Conflict Management

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Abstract

The very mention of the term 'Conflict' envisions fights, riots or war. In fact, on virtually every day of every year one can find dozens of armed combat situations somewhere in the world. But these extreme situations represent only the most explicit and violent expressions of conflict. During the typical workday, managers encounter more subtle and nonviolent types of opposition such as arguments, criticism, and disagreement. Conflict like power and organisational politics is actually an inevitable and positive force in today's organisations. Attitudes towards conflicts in organisations have changed drastically in the last few decades. Conflicts can be functional as well as dysfunctional. The current view, also called the interactionist view, is that, conflict in an organisation is obvious and equally necessary, no matter how organisations are designed and operated. Conflict can arise between co-workers, supervisors and subordinates or between employees and external stakeholders. The various organisational conflicts that can arise in an organisational set up are; Employee Discrimination, Leadership Conflicts, Performance Review Conflicts, and Conflicts with Customers. Conflicts can lead to search for solutions. Thus it is an instrument of organisational innovation and change. Managing conflict is a key management competency. This paper attempts to draw a relation through various cases which are deliberated upon in driving home the fact that several various types of conflicts that occur in an organisational setup holds enormous potential in bringing organisational transformation, thereby, creating a difference in preferential market position for an organization.

Key Words: Organisation, market position, stakeholders, employees, key management competency

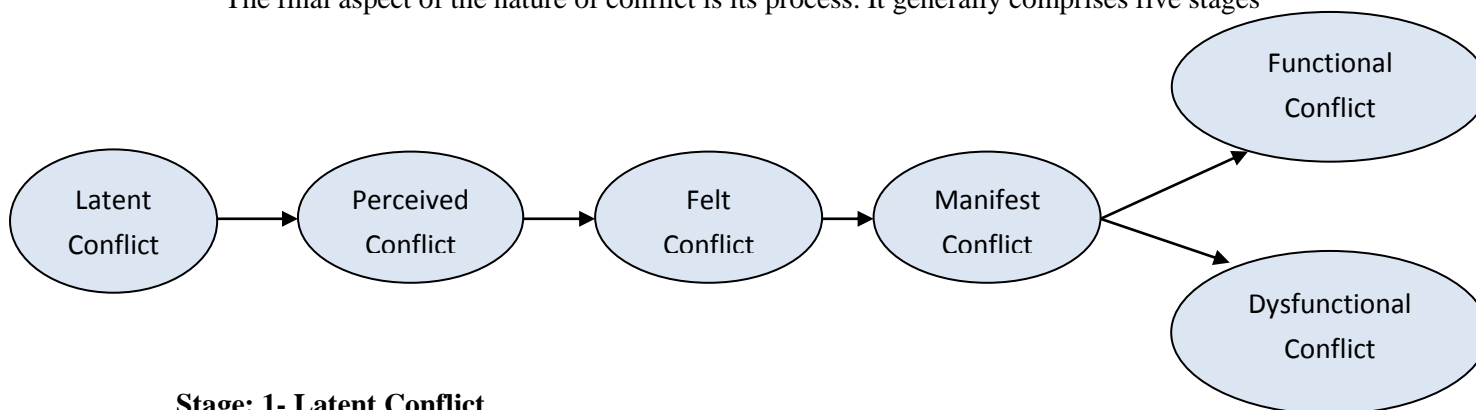
“ An organisation is deemed to be more stable if members have the right to express their differences and solve their conflicts within it.” --Machiavelli

1. Introduction

The very mention of the term ‘Conflict’ envisions fights, riots or war. In fact, on virtually every day of every year one can find dozens of armed combat situations somewhere in the world. But these extreme situations represent only the most explicit and violent expressions of conflict. During the typical workday, managers encounter more subtle and nonviolent types of opposition such as arguments, criticism, and disagreement between co-workers, supervisors and subordinates or between employees and external stakeholders. Without effective means for handling it, conflict can tear relationships apart and interfere with exchange of ideas and resources. Conflict and organisational performance are closely related and are inversely proportional to each other. Higher the conflict, lower is the performance and vice versa. Conflict like power and organisational politics is actually an inevitable and positive force in today’s organisations. Though inevitable, conflict in organisations is desirable. Effective conflicts prove to be an instrument of organisational innovation and change. Thus, managing conflict is a key management competency.

1.1 The Process of Conflict

The final aspect of the nature of conflict is its process. It generally comprises five stages



Stage: 1- Latent Conflict

When two or more parties need each other to achieve desired objectives, there is a potential for conflict. Latent conflict often arises when a change occurs.

Stage: 2- Perceived Conflict

This is the stage at which members become aware of a problem. Incompatibility of needs is perceived and tension begins as the party begins to worry about what will happen.

Stage: 3- Felt Conflict

At this stage parties become emotionally involved and begin to focus on differences of opinion and opposing interests. Internal tensions and frustrations begin to crystallise and people begin to build an emotional commitment to their position.

Stage: 4- Manifest Conflict

At this stage conflict behaviours vary from the subtle, indirect and highly controlled forms of interference to direct, aggressive, violent and uncontrolled struggle. At the organisational level, strikes or lockouts are the result.

Stage: 5- Conflict Outcome

The conflict finally results in an outcome which may be functional or dysfunctional. It is usually easier to achieve win-win outcomes when the conflict is recognised early before frustration and negative feelings set in.

2. Types of Conflicts

Attitudes towards conflicts in organisations have changed drastically in the last few decades. Conflicts can be functional as well as dysfunctional. The current view, also called the interactionist view, is that, conflict in an organisation is obvious and equally necessary, no matter how organisations are designed and operated.

The various organisational conflicts that can broadly be categorised in an organisational set up are: Employee Discrimination, Leadership Conflicts, Performance Review Conflicts, and Conflicts with Customers. Conflicts lead to search for solutions and are an instrument of change. This paper attempts to draw a relation through various cases which are deliberated upon in driving home the fact that several various types of conflicts that occur in an organisational setup holds enormous potential in bringing organisational transformation, thereby, creating a difference in preferential market position for an organization.

2.1 Employee (Gender) Discrimination

Companies still have a long way to go to ensure that the best talent makes it into leadership position, i.e. regardless of gender. Gender leadership discrimination has always proven to be a major reason for conflict in organisations. A detailed, researched analyses of 44 multinational companies found only 17 percent of participants saying that their companies have specific, targeted efforts for recruiting and elevating women to higher positions. According to the World Economic Forum, not a single company listed on Japan's Nikkei 225 (a stock market index for the Tokyo Stock Exchange) is run by women while female participation in politics is also negligible. In the year 2000, the Fortune 500 companies had only 3 female CEOs which rose to 15 by 2009. Last year, women constituted just 14.3% of executive positions in the Fortune 500.

Fundamentally, there is a dearth of female leadership- globally. And this dearth is attributed to one of the major causes of employee discrimination-The Glass Ceiling Effect. A huge reason for the rise of conflict in an organisation. Glass-ceiling is an expression of the constant struggle working women face in trying to fulfill their aspirations and achieve equal

opportunities in our society. This artificial 'wall' has to be broken if the nation is to prosper and keep its female population contended.

Glass ceiling conflicts in the workplace can range from very petty annoyances that affect work to a full-scale confrontation and that could affect an entire department or workplace. This type of conflict tends to make a job very stressful and so it's important to find ways to handle it so to experience a win-win situation.

Everyone knows the names of powerful female executives such as Facebook's Chief Operating Officer, Sheryl Sandberg, ICICI Bank's CEO, Chanda Kocher, Pepsi's CEO, Indra Nooyi and so on. But, ironically, these exceptional leaders still remain an exception. According to the Pakistan Council of Science and Technology, the current ratio of female contribution to the boardrooms of Pakistan is just 4.6% and despite improvements over the last decade, Pakistan remains a primarily male-dominated economy. But what can be done to grant women more power? Perpetuating a cycle of unfulfilled career expectations among women can spread insecurity and even depression. It is only natural for a woman to feel unappreciated if her hard work was not being paid off and goes in vain in turn.

While reading Sheryl Sandberg's book, *Lean In*, one doesn't help wondering what stops a woman of today to pursue their careers more aggressively. Sheryl has very aptly narrated how women unintentionally hold themselves back in their careers whereas they should be encouraged to passionately pursue their goals while defining a new progress in their areas of expertise. "There's no substitute for meritocracy and there's no substitute for hard work," says Shikha Sharma of Axis Bank. "But there is the issue of women having the belief that they can make it and everybody in society becoming sensitive to the fact that women can make it.

A deeper look at the self-motivated shaping careers for women, it's clear that women have been succeeding in business on their own terms -- they can run major companies, choose to serve on boards or not, or create their own enterprises. There is little, nay, nothing, that can stop them. Unfortunately, there is no set formula to counter glass-ceiling conflict in the office. It takes exceptional courage for a woman to voice such sensitive issues.

2.2 Leadership Conflicts

Conflict between individuals is an unavoidable part of working life. However how disputes are managed will determine whether there is positive resolution or damaging fallout for both employees and the organisation. To a significant degree this conflict is caused by failure to manage interpersonal relationships effectively, poor leadership from the top of the organisation and inadequate line management.

Infosys a global leader in business consulting and technology solutions is a proven partner focused on building tomorrow's enterprise. Infosys enables clients in more than 30 countries to outperform the competition and stay ahead of the innovation curve. Ranked in the

top tier of Forbes' 100 most innovative companies, Infosys with \$7B in annual revenues and 150,000+ employees provides enterprises with strategic insights on what lies ahead.

N.R. Narayana Murthy's return to Infosys as executive chairman was thought as a welcome with the investors. At the company's annual general meeting in June, shareholders praised Infosys for bringing back one of the company's most iconic leaders. But the same, unfortunately did not hold true for the higher echelons of the company. Two years ago, Infosys shifted its focus more toward consulting work from lower-margin outsourcing contracts. Unfortunately, the market for consulting contracts shrunk as global economic growth had slowed. When the Infosys Ltd board announced in April last year that a new leadership team would take the company's helm the following August, the incoming management team was perceived as a dream team.

One year later, after Infosys stunned the markets by missing its annual revenue growth forecast for the first time and predicted fiscal 2013 revenue that fell short of investor expectations by a wide margin, the dream turned sour for India's second largest information technology (IT) company. In the last two months, three major executives left the company. Most notable among them was Ashok Vemuri, a member of the board and the face of Infosys' business in North America, the company's largest revenue generating market.

According to Peter Schumacher, President and Chief Executive of Germany-based management consulting firm Value Leadership changing direction is "very difficult and painful" for any company and the recent high-profile executive exits at Infosys are typical of such change. Infosys has been arrogant, overconfident and self-absorbed by its success of the past and hence in many ways has not advanced organizationally and culturally as some of its peers. "The dynamics that Mr. Murthy has unleashed are likely to trigger even more senior staff exits," Peter added.

Mr. Murthy has reorganized chairman's office since his return, and made his son Rohan Murty the first member as an executive assistant. A report in The Economic Times suggests that the company is set to promote Mr. Rohan Murty, to vice president, a role usually assigned to employees with over 15 years of work experience, creating potential confusion and leadership clashes. The string of senior management departures at Infosys since then could be seen as symptomatic of organizational upheaval in the company and add to investor concern. An executive who has held senior positions in Infosys in the past said the company with 150,000-odd employees is clearly facing a crisis of leadership. Analysts say the recent string of high-profile executive exits from the company points to a power struggle at India's second largest software exporter by sales and poses a threat to the future of the beleaguered Indian outsourcing company.

2.3 Ending the Uncertainty at Infosys

Conflict Management over leadership issue at Infosys has finally come to an end with the appointment of the new CEO, 47-year-old Vishal Sikka with many at Infosys hauling that the uncertainty over the new leadership stance is now over. With him at the helm for the foreseeable future, there will be some stability around Infosys's strategy and therefore, better execution. If Sikka gets his act right, analysts feel, he actually can take Infosys places. "The world around us, Sikka notes, is getting reshaped and completely transformed by software — high-digital technology and computing. And the fundamental role of technology, he adds, is to amplify and augment the capabilities of people."

2.4 Performance Review Conflicts

Conducting regular performance reviews is an essential part of effective business management. Performance appraisal is a good method for improvement of performance of employees and increases effectiveness of organization in the business.

Performance Appraisal system is likely to be biased due to several factors. It can cause confusion, frustration and employees tend to reject the feedback received from the appraiser thus leading to a Conflict. It is at times noticed that factors like favouritism, nepotism, preference, etc. play a major role in the process of appraisal.

The need to appraise employees is felt for various reasons apart from conventional reasons like promotions and salary hikes. Performance Appraisal can be used to resolve issues related to Conflicts in the organisation and can thus be related to Goal Setting and vision enhancement in an organisation. One such example is found at Ellora Paper Mills Ltd, a Paper manufacturing organisation which is in existence since last 40 years. The absence of job description and job specification led to overlapping of roles and responsibilities amongst the employees of Ellora Paper Mill. This in turn led to dissonance in the outputs that were desired from the earmarked departments and in turn from the people representing these departments. The production suffered. The revenues suffered and above all, most importantly, the morale of the employees suffered. After putting in service of almost 35 to 40 years, they felt ignored and sidelined. Their interests suffered and their retirement benefits were jeopardised. As anticipated, one fine day, all the employees got together and slapped a strike notice on the face of the management. The basic reason of the conflict emerged from the absence of adequate knowledge of their contribution towards their work, their department and towards the organisation that they represented.

The management brainstormed with selected employees, those who still were ready to put in their sweat and blood, and decided upon a mutually beneficial plan. A strategy to turnaround the organisation through employee developmental programs. A plan to run a Soft Skills Development Program through a HR consultant. The job of this outsourced HR

consultant was to bring an alignment between the Management and The disgruntled employees all the while ensuring to boost up the morale of the employees. Every employee was made to go through the motivational sessions, where problem areas were identified, earmarked and concrete steps taken to resolve them. Job description was in place for key, functional organisational representatives and sufficient amount of power was bestowed upon these employees after reiterating the output in terms of production that was desired from them. The conflict between the management and the employees though was not completely erased but was dimmed to a large extent.

These soft skills sessions conducted by the HR consultant ensured Goal setting. A one point agenda for every employee which led to the alignment of his or her goal to the ultimate goal of the organisation- increase in the revenues and thereby profits. Goal setting sessions talked about Case Studies which were camouflaged and designed in such a way that they depicted the prevailing situation while highlighting an additional insight to the existing set of problems that dwelled in the organisation. Conflict management steps were reinstated through job description, goal setting, and performance appraisal techniques. This helped the management to distinguish between chalk and cheese and also to identify the darkest sheep in the family. The seniors automatically became mentors to the juniors, benchmarks were set and a win-win situation emerged where everyone on board spoke the same language- the language of success!

2.5 Conflicts with Customers

Sales and customer service employees can experience conflict with customers on a fairly regular basis, depending on the industry. A common conflict experienced by salespeople is a dissatisfied customer who feels personally defrauded by an individual salesperson.

Once upon a time a family was returning home after a long (6 hour) road trip. On way, they stopped to get 3 kids' happy meals at McDonald's so that wouldn't have to cook when they got home and ordered 3 happy meals - 1 with a hamburger and 2 with chicken nuggets. After getting to the window, to their horror they realised that they received only 2 juice boxes. On bringing this to the notice of the saleslady she carelessly shrugged her shoulders and dismissed, "Well, I only have you down for 2. On insisting that the order was for three, the lady calmly, just walked away. The couple approached the manager and the manager delegated the case to another girl at the stores. On understanding the entire case, the girl said, "I'll make you another one." She returned with 3 happy meal bags and another juice box. The couple got home, thinking that finally there was a happy ending to a gruesome episode lo and behold they were taken aback realising that the boxes were virtually empty, except for some packets of sachets of sauces.

The infuriated husband called up at McDonald's and asked to speak with the manager. A young man who called himself as the manager argued about it that there was no intention of creating this distress to the customer and insisted that the sales personnel did not do it on purpose.

The attitude of the manager was careless enough and was just interested in dismissing the entire episode. After incessant reminders of bad service experience, the manager offered to eventually replace the meals. Needless to say, there was no way that the couple was going to go back to that outlet of MacDonal'd's, or for that matter to any other outlet of MacDonal'd's after this experience. They finally made it home after a 6 hour road trip and were grossly appalled by the service they just received! They felt cheated and ditched after this experience at McDonald's. Who would mess with a kid's food like that?!?

Airlines complaints are the most common examples of Conflicts with Customers' interests. I remember, I was travelling last year from Moncton, Canada to Mumbai, India. I had a connecting flight from London 3 hours after landing at London. The flight from Moncton got delayed on the way and I had to miss my flight to Mumbai!! Gosh, I was stranded at the London airport all by myself panic stricken thinking of the important meeting that I had to attend at Mumbai. Meeting with my kids after two months of horrifying gap. And I was devastated. I approached the model- cum- actress in the making, the beautiful Relationship Manager at the Help Me Desk of the airlines and she casually remarked that all other flights connecting to Mumbai from London are full and I will have to wait at least for two days before the airlines could accommodate me on one of their flights. My anger and horror knew no boundaries, because they were competing with one another. Keeping my temper under check and my fists in my pocket, I requested her to put me up on any other flight, either to Delhi or any other nearest location of convenience. She had already decided to put up a nonchalant attitude and that is when all hell broke loose. I, in the choicest of my words made her understand the stand that I would take, splashing all across the media the arrogant and hostile attitude of this particular airlines, specially, since I happen to have some great friends who belonged to the media industry and who would happily lap up to such juicy piece of news. After eyeing me suspiciously and with great herculean effort she decided to put up some chivalry and make arrangements to accommodate a wailing passenger. She ensured that I travel to and fro from various terminals at London airport taking a cab and a bus at least seven times a day before I could finally board a flight at 9 in the evening (I landed at 7 in the morning from Moncton). I heaved a sigh of relief on reaching Delhi airport and immediately collapsed virtually in aghast when I realised that my luggage had been left behind at London with no communication to me. After various rallies of telecommunication, I

received my luggage (undistorted) after three days ! And needless to say, I would never ever dream of travelling again with this airline.

Workplace conflict will occur at times. Usually, it's the result of differing perceptions and methods, where neither party is right or wrong. Organisational representatives need to make sure that these conflicts don't come into the view of customers. If conflict is managed effectively and skillfully, cooperation will improve. Without effective conflict management, you cannot hope to improve performance, reduce stress, solve problems quickly, enhance teamwork, foster creativity and enhance staff morale. To manage conflict effectively you need to be a skilled communicator; an environment where open communication is allowed and enables employees to discuss and resolve work issues. It may be as simple as conflicts about desk position, air temperature control, public address volume, or choice of background music, if that is what you have. Avoiding is not resolving, addressing is satisfying. The earlier we as organisations understand this, the better off we are in terms of accentuated customer satisfaction.

3. Conclusion

Conflict between individuals is an unavoidable part of working life. However how well disputes are managed will determine whether there is positive resolution or damaging fallout for both employees and the organisation. To a significant degree this conflict is caused by failure to manage interpersonal relationships effectively, poor leadership from the top of the organisation and inadequate line management.

A problem identified by the CIPD 2007 Managing Conflict at Work survey report is that organisations are increasingly relying on their HR departments to manage conflict as managers shy away from tackling disputes in case they do or say something that might be held against them during any formal proceedings. This approach is counterproductive; by the time a dispute has escalated to the point where the disciplinary procedure has been triggered or a formal grievance lodged, opinions are often hardened. It is essential that HR practitioners ensure that managers at all levels have the skills, knowledge and confidence to identify and manage workplace disagreements at an early stage.

Conflict, thus, is a means to solve problems and bring about radical change. Its an effective device by which management can drastically change the existing power structure and entrenched attitudes. Managing conflict at work for line managers is an integral part of good people management. Managers must be sensitive to how their employees are interacting, as well as how they are handling any increase in their workloads or organisational change. If there is no conflict, it means the real problems are not being addressed. To sum it up, conflicts can in reality lead to search for solutions thus proving to be an instrument of organisational innovation and change!!

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