

## **CHAPTER 2      LITERATURE REVIEW**

The literature of conflicts is extensive. However, in some respects, it reveals considerable limitations. Conflicts and various related problems have been central objects of study in both sociology and social psychology. Conflict is a process in which one party perceives that its interest is being opposed or negatively affected by another party.

Conflict is a perception. Conflict exists whenever someone believes that another person or group might obstruct its effort. In the context of Organisation Behaviour, conflict refers to primarily to instances in which units or individuals within an organisation work against rather than with one another (McShane & Van Glinow, 2000, p. 402).

Conflict between individuals and groups is a universal phenomenon. A better understand of important areas of conflict will help managers to use the people in the organisation more effectively to reach the organisational objectives. It is very costly to ignore the existence of conflict. Ignoring conflict will guarantee that work and interpersonal relations will deteriorate (Gray & Starke, 1980, p. 299).

There is business impact of conflict in the corporate world. According to (Argyris, 1990 quoted in Mckenna, 1995), of particular relevance to the issue of conflict within a business organisation, conflict associates with how individuals cope with embarrassment and threat; and the ideal of unilateral control.

Correspondingly, (Stacey, 1993, p. 236) noted that conflict can be seen as an accepted and important part of organisational life, and a necessary part of change and development for organisational learning. Managers are expected to embrace and foster conflict as an important development tool. In contrast, conflict can also be seen as highly problematic issue (Lee, 1998).

Meanwhile, Tezer (1999) says achieving personal goals and maintaining mutually satisfying relationships with others sometimes come into conflict. Such

conflict is particularly problematic during adolescence, when the maintenance of peer relationships is an important social goal.

Conflict behaviours have been studied in relation to individual characteristics, such as attribution to biases, situational constraints, such as power relationships, and conflict skill training programs and third-party intervention strategies (Baron, 1985).

Boardman and Horowitz (1994) noted that attraction via similarity or dissimilarity is a factor in the process of conflict management. However, little is known about the degree to which the various conflict behaviours are associated with attraction in the realm of interpersonal relationships.

(Thomas, 1989, quoted in Baron & Greenberg, p. 458) defined conflict as the 'process which begins when one party perceived that the other has frustrated, or is about to frustrate, some concern of his or hers. Concern means needs, wants and values of an individual. Therefore, conflict situations arise when the needs, wants and values of two parties interfere with one another. Depending on how parties' react to conflict it may not be harmful, indeed, it presents opportunities for situations to be driven forward effectively, particularly in business contexts (Cornelius, 1989, [p.2] quoted in Mckenna, 1995).

The key elements in conflict include (1) opposing interests between individuals or groups, (2) recognition of such opposition, (3) the belief by each side that the other will thwart these interest, and (4) actions that actually produce such thwarting. (Refer to Figure 2.1).

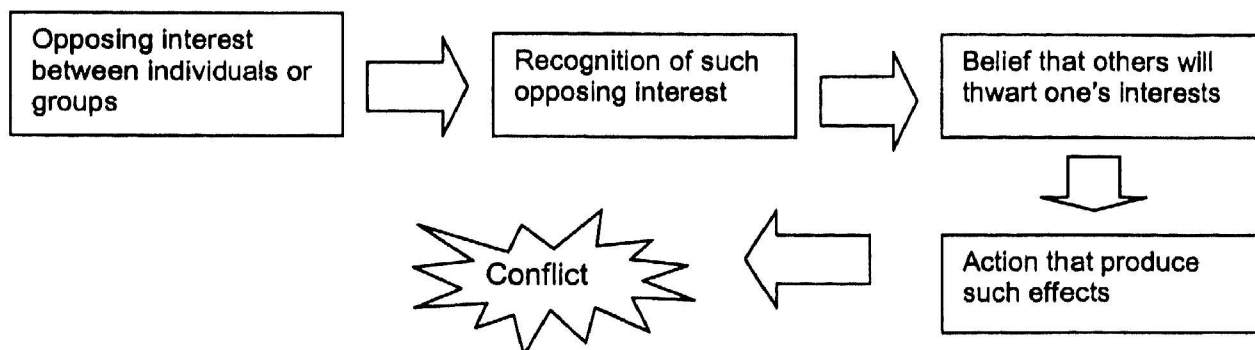


Figure 2.1 Organisational Conflict : Its Basic Nature (Source : Thomas, K. W.1989, Conflict and negotiation process in organisations, Consulting Psychologists Press)

As illustrated in Figure 2.1, opposing interests is widely agreed as the core of most conflicts. Indeed, the term "conflict" is used when the absence of incompatible interest or aspirations (Pruitt & Rubin, 1986, pp. 458-459). Such events will lead to the recognition of opposing interests between the parties involved. Upon recognition of opposing interest, both parties believe that the opponent will thwart their interest. Subsequently, both parties experience emotional reactions. This emotion reaction is translated into action which will produce the effect of conflict. Robbins (1974) explains, conflict has been interpreted differently at different times, i.e., the unitary, pluralist, and interactionist perspectives (Robbins, 2001, p. 385).

Traditionally, conflict within an organisation has been seen as a sign of a problem. Conflict meant there were differences of opinion, alternatives, which needed to be considered, and opposing points of view to be studied. Today the fact that conflict signals these things is often seen as a sign of a very good organisation (Slocum & Woodman, 1995, pp. 430-431). The type of conflict supported by current thinking is the interactionist perspective. It is described as "functional" or "constructive" conflict.

Constructive conflict is said to facilitate the attainment of the group's goals and to improve performance. Functional conflict is best described as low to moderate levels of subtle and controlled opposition. It is likely to lend itself to activities such as creative or non-programmed decision making. Functional conflict can be contrasted with "dysfunctional" or "destructive" forms of conflict.

Dysfunctional conflict produces uncontrolled opposition and discontent, hampers communication, undermines cohesiveness, elevates in-fighting between members to a position higher than the achievement of group goals, and eventually has an adverse effect on group effectiveness (Robbins, 1974, quoted in Mckenna, 1994, pp.418-419). In its extreme form this type of conflict can gravely disrupt the functioning of the group, and has the potential to threaten the group's survival.

Management theories on conflict in organisations have developed over the years. (Mullins, 1999, [p.2], quoted in Edward & Walton, 2000) has described the unitary perspective of organisations. Mullins' idea is supported by Drucker (1999). Drucker espoused, where the "healthy organisation climate was reflected by complete harmony in working relationships and there was loyalty and common commitment to goals and objectives of the organisation".

Perceptions and feelings of conflict usually lead to the manifestation of conflict. Darling and Fogliasso (1999), also agree that it is impossible to totally eliminate conflict. Circumstances and individuals are always changing. These changes create the possibility of creative and positive growth. Conflict management recognises that while conflict does have associated costs, it can also bring with it great benefits. Today's managers seek not to avoid, but to manage conflict within the organisation (Nurmi & Darling, 1997, pp. 157-158). If conflict is properly managed, it fosters an understanding and appreciation of differences. It presents new and different possibilities. It shifts the paradigm of the status quo. Managers who try to eliminate conflict will not last long. However, those managers who manage it well will typically experience both organisational benefits and personal satisfaction.

Conflict can be observed at many levels throughout an organisation. Often those quite unconnected with problem can be caught up in it as innocent victims. Although many negative impacts of conflict are keenly felt on the shopfloor. Solutions more often than not must be sought at the strategic level. This is so because of the increasing integration of previously disparate groups (Edward & Walton, 2000).

Conflicts are often initially experienced as relation-specific, even though the problems can actually be traced to a poor selection of work methods. For example, if a decision is reached by means of an unsuitable method, it can lead to tensions between the group members. Teams must learn and familiarise themselves with a variety of working procedures and methods, and must become

good at reaching right decisions as to which procedure is most suitable for which purpose.

(Thomas & Kilmann, 1974, quoted in Mckenna, 1994, pp. 237-238) mentioned that all reactions to conflict stem from two general impulses. These impulses are the desire to satisfy personal concerns and the desire to satisfy the concerns of others. The desire to satisfy personal concerns is a way to show itself as assertive behaviour. In contrast, the desire to satisfy the concerns of others is a way to show itself as non-assertive behaviour. As such, these impulses will lead to certain consequences.

Conflict is an inescapable feature of every human relationship and can lead to constructive as well as destructive outcomes (Deutsch, 1994). When conflict is managed constructively, there is a necessary and positive condition for the development and growth of children and adolescents. Since it may help them move into deeper, more meaningful relationships with others (D. W. Johnson & R. T. Johnson, 1996). On the other hand, when conflict is managed destructively, there are numerous negative outcomes, such as detachment from society and lower grades (Berndt & Keefe, 1992), undermined self-esteem and self-confidence (Opatow, 1991), and low agreeableness (Graziano, Jensen-Campbell & Hair, 1996). These negative outcomes may lead to social isolation, loss of status among peers, and psychological maladjustment (D. W. Johnson & R. T. Johnson, 1996).

Conflict frequently interferes with communication between individuals, groups, or divisions. It can eliminate co-ordination between them. Conflict can also divert attention and needed energies away from major tasks and efforts to attain key organisational goal. In all these ways, conflict can seriously interfere with organisational effectiveness. Conflict between groups often encourages their leaders to shift from participative to authoritarian styles (Fodor, 1976).

Subsequently, group experiences stress require firm direction. Recognising this fact, their leaders adopt more controlling tactics when conflict

develops. As a result of such changes, groups experiencing conflict tend to provide less pleasant work environments than ones faced with this type of stress. Conflict increases the tendency of both sides to engage in negative stereotyping. The members of opposing groups or units tend to emphasise the differences between them. Moreover, these differences are interpreted in a negative light, so that each side views the other in increasingly unfavourable terms (Baron & Greenberg, 1990, p. 466).

While conflict often has a disruptive impact on organisations, under some conditions, conflict also yield important benefits. Conflict serves to bring problems that have previously been ignored out into the open. Since recognition of such difficulties is a necessary first step to their solution, conflict can be useful in this respect.

Conflict can reflect a healthy effort to subject a decision problem to an all round analysis, to examine goals and methods, to subject previously accepted rules of behaviour to renewed examination. Conflict often encourages the consideration of new ideas and approaches while facilitating innovation and change.

Meanwhile, conflict enhances group loyalty and it can increase motivation and performance within the group or work units involved. Each strives to attain even higher levels of excellence than before. As conflict encourages both sides to carefully monitor one another performance in order to see exactly what the opponent is up to. Thus, it provides self-assessment and self-improvement. Organisations that foster intergroup competition (within reasonable limits) can enhance intragroup productivity and create opportunities to maximise the talents of organisational members predisposed toward competition. In these ways, conflict can contribute to organisational effectiveness (Baron & Greenberg, 1990, p. 466).

However, psychological factors can perpetuate and escalate intergroup hostilities, creating barriers to the successful resolution of intergroup conflict.

Rubin, Kim and Peretz (1990) have noted that expectancies may have beneficial or harmful effects on negotiations, and that they may play an important role in moving conflict in constructive or destructive directions. Besides, social psychological theory and research suggest that psychological factors are pervasive in international relations. Intergroup conflict is buttressed by psychological processes that serve as barriers to the initiation of conflict resolution efforts and to the successful resolution of conflict (Rosenthal, 1988).

In juncture, some researchers argue that reducing affect on conflict discourse enhances constructive problem solving and leads to improved organisational performance. It is because by interrupting the negative effects of group think, it induces higher quality decisions and reducing the likelihood of destructive conflict escalation. Conflict management recognises that while conflict does not have associated costs, it can bring with it great benefits (Darling & Fogliasso, 1999). However, such benefits will only occur if conflict is carefully managed and does not get out of control.

In the Asian society, each of the citizens is prone to act toward social cohesiveness and avoid dysfunctional conflicts. They are more humble and practices strong emphasise to preserve harmony. These values cause less dysfunctional conflict present in the Asian society as compared to the Western society. Western society appreciate new ideas and against stagnant progress. They encourage unconventional behaviour, as they perceive by acting such way, it will help to spur new ideas.

Conflict emanates from a number of sources. (Robbins, 2001, p. 385) identifies three specific sources that are communication, structure and personal factors. The communication barrier variable that is related to conflict is semantic difficulties, insufficient exchange of information, and noise in the channel of communication. In the context of structure, it includes size, specialisation, ambiguity, leadership, rewards and interdependency. Personality characteristics and value system to which people adhere is under the interpretation of personal factors.



Additionally, Blome (1983), said that interpersonal conflict has its roots in such things as prestige; formal organisational structure that determines who is going to take on what responsibilities and the line of authority; leadership styles and expectations arising therefrom; and prejudice that spawns mistrust for any number of reasons including position, cultural differences and etc.

The conflict diagnostic portion is summarised as conflict = f (ambiguous kinesics manifestations, barriers to cross cultural communication, semantic difficulties, structural dysfunction, personal variables differences and inappropriate leadership styles). (Mohd Yusof Dato Omar, 2002) Constructive conflict will encourage and produce better decision-making and thus lead to the betterment of an organisation.

In this research, it employed a qualitative methodology to analyse the internal and external environment of the organisation through organisational diagnostics. Thereafter, the results obtained will help to identify the changes needed in moulding the desired result in the organisation.

The skills of conflict management are closely related to the process of reality therapy. Reality therapy posits that manager functions as a facilitator in managing conflict (Glasser, 1975, pp. 127-132). The challenge for managers today is not to ignore nor to minimise conflicts, but instead to recognise that each of these differences arise from conflict has something positive to offer (Darling & Fogliasso, 1999).

While conflict exists in team interaction, the key to an effective work team is to manage conflict (Esquivel & Kleiner, 1996). Numerous techniques to deal with conflict are suggested in current literature. Widely discussed conflict management procedures include avoidance, compromise, accommodation, competition and collaboration. Generally, all of the techniques noted in the literature focus on three interactive methods of conflict management grouped according to lose-lose, win-lose or win-win techniques (Covey, 1989, pp. 206-213). Once conflict is understood and managers are aware of the different types



of conflict, it will make conflict easier to digest and manage (Esquivel & Kleiner, 1996).

The ability to manage conflicts constructively is an essential aspect of psychosocial health and adjustment. Johnson and Norem-Hebeisen (1977) noted that destructive conflict leads to social isolation that is associated with behavioural maladjustment. Deutsch (1994) and Zhang (1994) indicated that students who improved their ability to manage conflicts experienced increased social support, which led to an increase in self-esteem and a decrease in anxiety and depression, as well as more frequent feelings of well being.

As conflict has potentially damaging consequences, it is important that managers are aware of how to manage it. Conflict situations that are disruptive or counter-productive will have to be resolved. Conflict management focuses on maintaining conflict at functional levels for a department, work unit, or an entire organisation. Conflict management does not mean the complete elimination of conflict nor does it refer only to conflict reduction. It means maintaining conflict at the right level to help the department, work unit, or an organisation reach its goals (Vekatraman & Henderson, not known).

There are five major styles of conflict management at the disposal of the manager. These styles are competition, collaboration, avoidance, accommodation and compromise (Thomas, 1976, quoted in Mckenna, 1994, p. 424). (Refer to Figure 2.2)

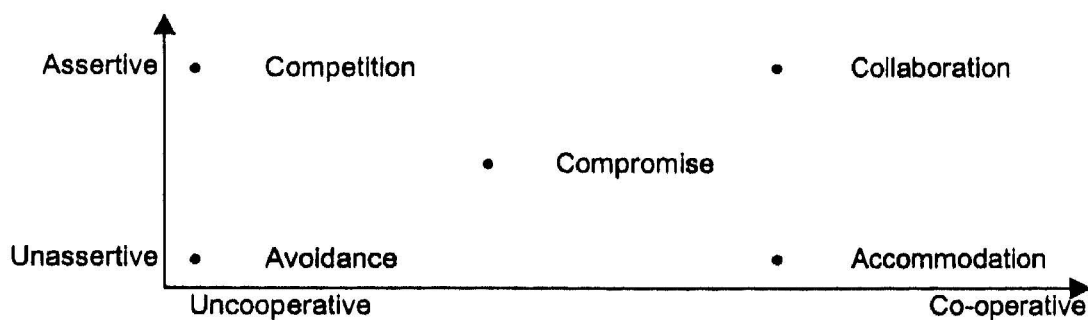


Figure 2.2 A two-dimensional model of conflict management.

Source : Thomas, K. W. (1976). Conflict and Conflict Management. In M. Dunnetter (Ed), Handbook of Industrial and Organisational Psychology. Skokie, IL : Rand McNally.

As shown in Figure 2.2, Thomas places the five styles in a two dimensional framework comprising assertiveness (the desire to satisfy one's own concerns) and cooperativeness (the desire to satisfy another's concerns). (Thomas, 1976, quoted in Mckenna, 1994, p. 424) make a point that individuals can use one or more of the styles. However, most will feel more comfortable with one style than with others. It is the style(s) with which most feel comfortable that most are likely to use it most of the time.

Nevertheless, influence of culture will take effect on the conflict handling process. For instance, managers from Jordan and Turkey shared with their US counterparts a first preference for a collaborative style (Korzan, 1989). In another study where similar model of conflict handling was used, culture also had an effect on styles. For example, Chinese manager in Hong Kong tended to favour harmony and adopt the less assertive styles such as, compromise and avoidance. In contrast, British managers favoured the more assertive styles like collaboration and competition (Tang & Kirkbridge, 1986).

According to Tezer (1999), the findings of the present study indicated that those who engage in compromise to resolve conflicts are most successful both in accomplishing goals and in establishing friendships. Conflict management strategies were found to be associated with relationship satisfaction and power differences (Tezer, 1999). In the present sociometric investigation, which used a story to place conflict in a natural setting, the relationship between attraction and conflict behaviours was found to conform to the general trend in Turkish society. Collaboration and compromise were important not only in achieving goals, but also in terms of attracting friends.

On top of that, a manager needs to develop flexible new coping skills to continue functioning in a positive, productive way in the midst of these sometimes unsettling events. The productivity of confrontation arises from the fact that conflict can lead to change, change can lead to adaptation, and adaptation can lead to survival (Walton, 1976, pp. 5-7).

According to (Lewin, 1951, quoted in Cumming & Worley, 2001, pp. 22-26), there are three-steps change process as involving unfreezing, changing, and

refreezing. An alternative model, incorporating facets of the Lewin model, has been proposed by (Moorhead & Griffin, 1992, quoted in McKenna, 1994, pp. 417-418). (Refer to Figure 2.3)

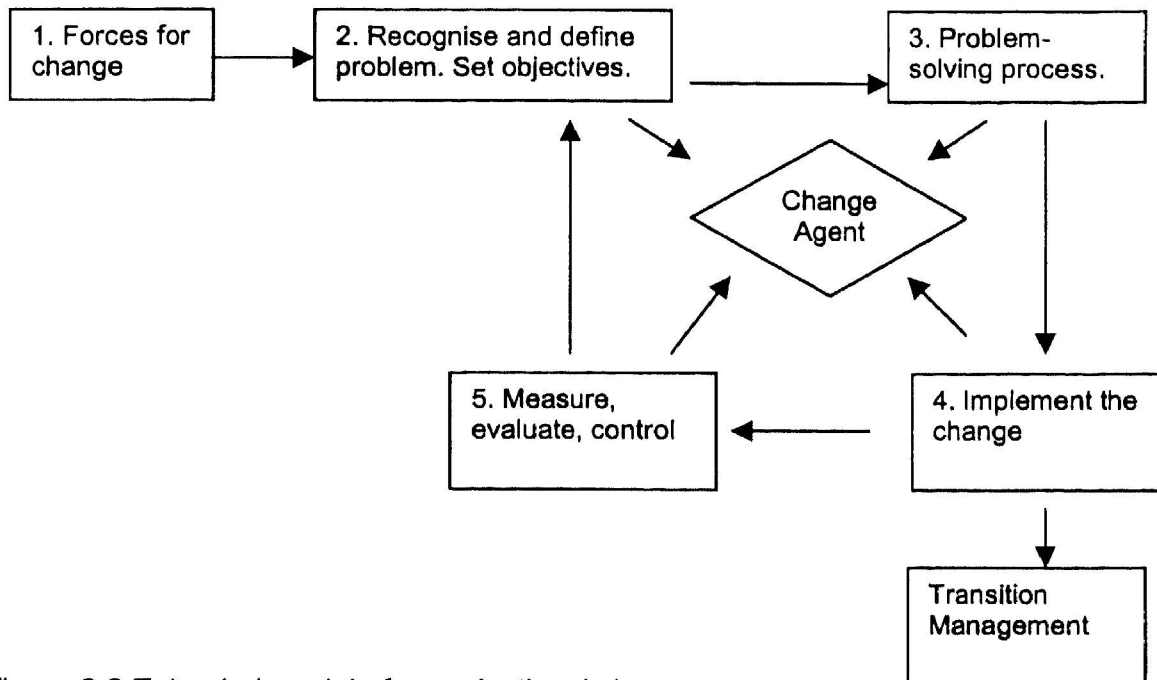


Figure 2.3 Extended model of organisational change.  
 Source : Adapted from Moorhead, G. and Griffin R. W. (1992). *Organisational Behaviour* (3<sup>rd</sup> Edition): Boston: Houghton Mifflin.

The actual outcome of the change process is measured against the objectives set for change earlier in the model and deviations are handled appropriately. Nevertheless, once the change process begins, the organisation is in a transitional phase. This transitional phase is probably somewhere between the old status quo and the planned future state. However, normal business has still to continue (Ackerman, 1982). It is essential for managers within the organisation to become the transition managers and liase effectively with the change agents.

Besides, organisation members and practitioners might jointly plan and implement organisation development interventions. They design interventions to counter the problems arises. In order to achieve the organisation’s vision or goals, they make action plans to implement them. An effective manger uses conflict creatively to stimulate personal development, to internalise the problems,

to increase critical vigilance and self-appraisal, and to examine conflicting values when making decisions (Blome, 1983). In addition, team leaders bear the responsibility of making sure that the environment is appropriate and ready for conflict (Amason, Huchwater & Harrison, 1995).