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## **Employees Perception of Corporate Conflicts Management and Resolution and Its Impact on Organizational Performance**

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### ***Abstract:***

*This study was an investigation on the employee perception and their understanding on corporate conflicts management and resolution. It was based on the premise that people fail manage and resolve different kinds of conflicts due to their misunderstanding of what conflict actually entails. The main objective of this study was to investigate if the employee of one of the leading cooperative society in Kericho county- Kenya understands the nature and impact of effective conflicts management and resolutions. The research design that guided this study was descriptive survey. Questionnaires were distributed to 51 employees in a seminar, including the CEO and all responded effectively. Focused group discussions were also used to get the views and opinions of the respondents. This research was guided by the interactionist view of conflict that belief that conflict is not only a positive force in a group, but also absolutely necessary for a group to perform effectively. The data collected was analyzed descriptively and thematically. The findings show that most of the employees regard conflict as a negative element, harmful and should be avoided. The majority also attributed the top management as the main source of conflict. The findings and recommendations of this study will assist employees of various organizations to understand conflicts in a positive way, hence acquiring better skills in conflict management and resolutions in their place of work.*

**Keywords:** *Conflicts, Resolution, Management, Competition, Collaboration, Avoiding, Compromising and Mediation*

### **1. Background of the Study**

Conflicts are part of human life. We always experienced conflicts ranging from intrapersonal, interpersonal, group conflicts to the level of organizational conflict. Failure to understand conflict based on the current point of view always leads to avoidance of conflict and hence failing to manage and resolve it effectively. According to Route and Omiko (2007) conflict can be understood in three different schools of thoughts namely, traditional view of conflict, the human relations view and the interactions view. It is by understanding these three schools of thought that will enable individuals in any organization to manage and resolve conflicts in a very productive way. People who believes that conflict of all kinds is harmful and must be avoided. This belief is within the support of the traditional view. If this situation prevails, people are likely to less assertive, maintain status quo and only suppress conflicts leading to organizational stagnation and false peace. While on the other hand people who will lean towards human relations view of conflict believes that conflict is natural and inevitable outcome of a group. This group is likely to assume too much about conflict without taking keen on the causes in order to provide effective solutions. People who belief in the interactionist view of conflict which believes that conflict is a positive force in a group and very necessary for a group to perform well are likely to embrace change and resolve conflicts effectively. DeDreuetal (1997) observed that harmonious,peaceful,tranquil and cooperative group is prone to become static, epathetic and non-responsive to the need for change and innovation.

#### ***1.1. Statement of the Problem***

Failure to understand the nature and causes of conflicts within the current parading is the main issue of concern in various organizations all over the world. Failure to understand conflict within the interactionist view leads to suppression of conflicts, avoidance and eventual poor management hence recurrence of the same. This study therefore was an investigation on the perception of employees on what conflicts are and the strategies that they have been using to manage and resolve conflicts in their workplace. It important to know that failure to understand conflicts in an organization is one of the major negative contributing factors of stagnation, poor production, lack of creativity/innovation, high rates of employee turnover, poor job satisfaction, employee unrest, organizational stress and finally collapse.

#### ***1.2. Objectives of the Study***

This study aimed at achieving these objectives:

- i) To investigate the employees demographic information, their perception and their understanding on conflicts
- ii) To determine the nature of conflicts common in their place of work.

- iii) To find out the types of strategies that they have been using in managing and resolving conflicts in their organization.
- iv) To investigate what the employees perceived as the source of their conflicts.

### *1.3. Significance of This Study*

This study is of great importance to different corporate organizations. First, it acts as a needs assessment tool for effective provision of continuous in-service training and education. Secondly, this study will enable the employees in an organization to understand the meaning and importance of conflicts. Thirdly, this study will also will provide the employers and employees skills, knowledge and attitude relevant to conflict management and resolution.

### *1.4. Theoretical Framework*

This study was guided by the interactions, school of thought. This school of thought view conflicts as a positive force in a group that if well managed, it can lead to creativity, innovation and development. It rests on the premise that avoidance of conflict and believing that conflicts of all kinds are harmful is in itself a dangerous state. This theoretical model rest on the belief that an harmonious, peaceful and tranquil group leads to stagnation, status quo, apathetic and non-responsive to need for change and innovation (Rout and Omiko 2007). They further argued that in situations that call for creativity and when discussions of alternative are needed, conflicts are necessary and should be taken positively. This school of thought guided the formulation of questionnaires in an attempt to investigating employees understanding of conflicts and how they normally react to conflicts situations. The researcher strongly belief that understanding conflict according to integrationist school of thought leads to effective management and resolutions of conflicts in an organization.

## **2. Literature Review**

Based on different understanding, different people have defined conflict differently. Kabiru and Njenga (2009) explained that conflicts are serious disagreements on issues that one considers to be very important in life. They further argued that conflicts are part of life and therefore it is important to learn how to learn how to resolve conflicts amicably.

Webster's dictionary defines conflict as a sharp disagreement or opposition of interests or ideas. Anytime people work together, conflict is a part of 'doing business'. Conflict is a normal and natural part of any workplace. When it occurs, there is a tendency for morale to be lowered, an increase in absenteeism and decreased productivity. It has been estimated that managers spend at least 25 percent of their time resolving workplace conflicts causing lowered office performance.

Handling and resolving conflicts that arise in the workplace is one of the biggest challenges managers and employees face. Typically there are two responses to conflict: run away (avoidance) or 'battle it out'. In either case, we often feel uncomfortable or dissatisfied with the results because no resolution has been achieved. By learning to constructively resolve conflict, we can turn a potentially destructive situation into an opportunity for creativity and enhanced performance.

According to Kabiru and Njenga, (2009) conflicts can be classified into two namely constructive conflicts and destructive. They explained that constructive conflicts help to improve relationships among people and it occurs when potential is understood, anticipated for and when adequate attention is paid to conflicts in order to resolve them amicably. Ibid also argued in support of conflicts that they are important because they help in spotting out problems that require attention, force issues to be clarified, make leaders to look for long term solutions, direct efforts, to finding solutions, reduce ill feelings, restore creativity and innovativeness, stimulate interest and curiosity, stir observation, memory and reflection, create motivation and energy, increase peoples understanding of positions and roles, increase individual awareness of self identity and finally help in problem solving and decision-making. With such enormous importance of understanding conflict, it was therefore crucial for the researcher to conduct this study in order to understand the position of the respective organization before training them on the current paradigm of understanding conflicts. According to Kinicki and Kreitner (2008) traditionally, managers dealt with personality conflicts by either ignoring them or transferring one party. It is quite interesting to note that this traditional practice is still in practice to date. It is therefore important for organizations to do investigations in order to understand the current practices in comparisons with what is being expected. Conflicts among groups, teams, and departments is a common threat to organizational competitiveness. Managers who understand the mechanics of intergroup conflict are better equipped to face sort of challenge.

## **3. Types of Conflict**

Different scholars classify conflicts in different ways. According to Rout and Amiko (2007) they stated that there are four types of conflicts namely goal conflicts that arise when individual select or assigned goals that are incompatible. Second is affective conflict which is as a result of incompatible feelings and emotions within the individuals. The third type of conflict is cognitive conflict which occurs when ideas and thoughts within an individual or between individuals are incompatible. This is in agreement with Nicholson, (1992) who also observed that the effects of cognitive conflicts are mainly positive because they improve the quality of decision making. The fourth type of conflict is procedural conflict which exists when group members disagree about procedures to be followed in accomplishing the group goal. Many scholars have grouped conflicts differently. To me I would prefer to call these elements of conflicts. What Rout & Amiko (2007) refers to levels of conflicts is what I would refer to as types of conflicts which include: Intra-personal conflict, Interpersonal conflict, Group/Team conflict and Organizational conflict.

Any situation, institution or organization where there are more than one person, conflicts is inevitable. The causes of conflict mainly differ from one type of conflict to another type of conflict. There are many general causes ranging from philosophical differences and divergent goals to power imbalances. Unmanaged or poorly managed conflicts generate a breakdown in trust and lost productivity. For

small businesses, where success often hinges on the cohesion of a few people, loss of trust and productivity can signal the death of the business. With a basic understanding of the five conflict management strategies, small business owners can better deal with conflicts before they escalate beyond repair.

### *3.1. Conflict Management and Resolution Strategies*

There are various strategies for conflict management and resolutions proposed by various scholars. In most cases different types of conflicts in different levels requires different conflict management and resolution strategies.

According to Thomas-Kilmann's model of conflict resolution, he mentioned categorically that interpersonal conflicts can be resolved effectively through the following five styles operating within two dimensions of assertiveness and cooperativeness:

### *3.2. Accommodating*

Generally this style refers to cooperative and unassertive behaviours. Here individual sacrifices self-interests to satisfy the needs of others. Conflicts here greatly emanates from different personalities among individuals. The accommodating strategy essentially entails giving the opposing side what it wants. The use of accommodation often occurs when one of the parties wishes to keep the peace or perceives the issue as minor. For example, a business that requires formal dress may institute a "casual Friday" policy as a low-stakes means of keeping the peace with the rank and file. Employees who use accommodation as a primary conflict management strategy, however, may keep track and develop resentment.

### *3.3. Avoiding*

This is understood as being uncooperative and unassertive. Here the individual decline to pursue neither his /her goals nor other person's goal. He prefers to stay away, remain neutral and avoid confrontation of any kind that may lead to conflicts. The avoidance strategy seeks to put off conflict indefinitely. By delaying or ignoring the conflict, the avoider hopes the problem resolves itself without a confrontation. Those who actively avoid conflict frequently have low esteem or hold a position of low power. In some circumstances, avoiding can serve as a profitable conflict management strategy, such as after the dismissal of a popular but unproductive employee. The hiring of a more productive replacement for the position soothes much of the conflict. Personally I would like to mention that avoiding is also necessary retreat strategy. This may happen when one is sure of becoming a loser. This avoidance therefore great suspense that may be you could have won this may help you to re-strategize for a better confrontation when one has gathered sufficient evidence or skills. This therefore to disagree scholarly on the above mentioned that avoidance seek to put off conflict indefinitely hoping that the problem will resolve itself. The reality is the problem may resolve itself or the person may come back when the time and opportunity is ripe to face the reality of conflict. Champoux (2007) mentioned that conflict when avoided by then individual or the group does not solve the problem though it appears to have at the surface. I support Champoux argument though I want to state that avoidance can be good if one is not sure of what to do particularly in highly specialized and risky areas like in medicine. This is an area where one is expected to avoid arguing for the sake of it.

### *3.4. Collaborating*

According to Thomas, the collaborating style refers to strong cooperative and assertive behavior. Hellrigel et al (2001) observed that collaborating styles work well when the person using it desires to maximize joint results. The results here must work for the good of all of us. Collaboration works by integrating ideas set out by multiple people. The object is to find a creative solution acceptable to everyone. Collaboration, though useful, calls for a significant time commitment not appropriate to all conflicts. For example, a business owner should work collaboratively with the manager to establish policies, but collaborative decision-making regarding office supplies wastes time better spent on other activities.

### *3.5. Compromising*

This style has to do with being moderately cooperative and assertive but not going to either extreme. Compromising strategy typically calls for both sides of a conflict to give up elements of their position in order to establish an acceptable, if not agreeable, solution. This strategy prevails most often in conflicts where the parties hold approximately equivalent power. Business owners frequently employ compromise during contract negotiations with other businesses when each party stands to lose something valuable, such as a customer or necessary service.

### *3.6. Competing*

This style is a characteristic of assertive and uncooperative behaviors. Competition operates as a zero-sum game, in which one side wins and other loses. Highly assertive personalities often fall back on competition as a conflict management strategy. The competitive strategy works best in a limited number of conflicts, such as emergency situations. In general, business owners benefit from holding the competitive strategy in reserve for crisis situations and decisions that generate ill-will, such as pay cuts or layoffs. This style works well in emergencies that require quick actions, when one is sure of the correct solution. In an organization this approach work well when strong decision that requires specialized knowledge is a requirement to resolve conflict.

### *3.7. Managing and Resolving Team and Organizational Conflict*

It is important here to mention briefly some causes of team and organizational conflicts. Nelson (1995) mentioned some potential areas that give rise to negative conflict namely: administrative behaviors, Shortage of human resources, costs overruns, lack of

appropriate work schedules, unclear responsibility framework, following wish lists hence deviating from the correct track, practices and differing principles. Based on the above mentioned causes, they also suggested the following possible solutions and management strategies: Preparation of effective administration procedures, ignoring the conflict, handling conflict in an informal basis, imposing a solution, appealing to super-ordinate goals, direct approach or simply a leader confronting the issue head-on, enforcement of the team rules, the use of distributive bargaining, collaboration, mediation, team counseling and negotiation. In fact my intention here is not to write down notes but just to mention what other scholars have stated as strategies of managing and resolving conflicts. All the above mentioned strategies can only work effectively if people working in any organization are made aware of the importance and inevitability of conflicts in an organization. To me this is the beginning and the main strategy in conflicts management and resolution. I would like to also observe very candidly that avoidance of conflicts is not an assured way of solving functional organizational conflicts but a sure practice of the old adage of the ostrich who buries its head in the sand assuming that since it cannot see the enemy the vice versa is the same.

According to Thill & Bov'ee (2002), the following measures can help team members to resolve conflict: Proaction; dealing with minor conflict before it becomes major conflict. Communication getting those directly involved in conflict to participate in resolving it. Openness; getting feelings out in the open before dealing with the main issues. Research; seeking factual reasons for the problem before seeking for solutions. Flexibility; not letting anyone lock into a position before considering other solutions. Air play; making sure that no one avoids a fair solution by hiding behind the rules. Alliance; getting the parties to fight together against an "outside force" instead of against each other.

#### 4. Research Design and Methodology

This particular study was conducted among 56 staff of one of the SACCOs in Kenya. The entire research process was guided by descriptive survey design. Descriptive survey involves collecting data about people's attitudes, opinion, habits or any of the variety of education or social issues (Orodho, 2003). It also involves typically collecting descriptive data through questionnaires, surveys, interview, or observation. The total population was 56 workers of the Sacco from the position of the CEO the office assistants. Opportunity sampling was used and by convenience all the 56 participants answered the questionnaires. Questionnaires were used as the only instruments of data collections. Data from questionnaires were coded and analyzed statistically.

#### 5. Data Analysis and Interpretation

Data analysis and interpretation was based on the study objectives as follows:

- i) To investigate the employees demographic information, their perception and their understanding on conflicts
- ii) To determine the nature of conflicts common in their place of work.
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- iv) To investigate what the employees perceived as the source of their conflicts.

##### 5.1. Demographic Information

This information was intended to provide a report on the gender and educational background of the employees. This is based on the premise that different gender might be having different perceptions about the world. Educational background for example different levels play a major role in how individuals perceived things. The results from this study shows that as far as gender: is concerned, the Female workers constitute (53%) and (47%) males. Their perception on conflicts shows that 70% of female perceived that conflicts are bad and should be avoided. The remaining 30% which were males believed that conflict is natural and inevitable.

##### 5.2. Educational Background

As far as educational background is concerned, the results are as follows: Certificate holders (8%), Diploma (49%), First Degree (39%), Masters (7.8%), and PhD (0%). This information on educational background shows that there is a normal distribution in each level apart from the PhD holders which is not a necessary requirement by the company. The highest number consist of Diploma holders (49%) followed by Undergraduate degree holders at (39%).

The next question was an investigation of the employee's perception on conflict in an organization. The question was: I believe that conflict of all kinds is harmful and must be avoided. Based on this question the following are the results from the respondents Agree 39%, Strongly agree: 11.8%, Total=50.8%, Undecided: 1%, Disagree: 27.5%, Strongly Disagree: 27%. This shows that the highest deviation consist of employees who perceived that conflict is harmful and should be avoided.

Question four was a reinforcement of question three. I believe that conflict of all kinds reduces organizational performance. The results of this question are as follows: Agree 35%, Strongly agree 19% Total=54% Undecided, 1% Disagree, 31%, and Strongly Disagree 10%. From the above results the highest deviation consist of those who believe that conflict of all kinds reduces organizational performance (54%). This figure is big and their perception can really influence the organizational performance. When people believe that conflicts of all kinds are harmful and should be avoided, and also conflicts of all kinds reduces performance it leads people to avoid conflicts, maintain status quo, fail to innovate, fail to be creative and their assertiveness goes down. Such organization is characterized by fear of change, lack of development and mediocrity prevails. Those employees also are holding on the traditional point of view of conflict which prevailed during 1930s and 1940s.

The next question tested the perception/belief in conflict as a natural and inevitable outcome of a group and the results were as follows:

Agree =41%, Strongly Agree: 18% Total=59%, Undecided: 1%, Disagree: 20%, and Strongly Disagree: 20%.

This group is within the human relations view of conflicts that conflict is natural and an inevitable outcome in a group (Robbins, (2004). This view dominated conflict theory from the late 1940s through the mid-1970s.

Question six was an investigation on the modern paradigm of conflicts as a positive force of organizational development. The statement was; I believe that conflict is a positive force in a group. The results are as follows

Agree 53%, Strongly Agree: 18% Total=59% Undecided: 1% Disagree: 12% And Strongly Disagree: 16%.

The highest group is those who believe that conflicts is a positive force in a group. This is a promising direction in understanding conflicts today however, there is also a considerable number of people who deviated negatively which consist of 29%. This is a group that should be trained on the importance of conflicts in a group.

Question seven tested on the employees' perception of the main source of conflicts in their organization. The statement was; I believe that the main source of conflicts in our organization is, and the results also can be seen here:

- 1) Top management= 31%
- 2) Departmental level =35%
- 3) Me=24%.

From the above responses, it is possible to see that the highest perceived cause of conflicts is departmental (35%), followed by top management with (30%) the "me" is the lowest with (24%). This is an indication of blame shifting which is within the traditional thinking on conflicts. This situation normally makes conflicts resolution and management to be very difficult because people deny responsibility and ownership of their failures so that they can be assisted.

Question eight investigated if the members have been trained on conflicts management and resolution before. The statement was; I have been trained on conflict management before. The results are as follows:

Agree=12%, strongly disagree=18%, Undecided=6%, Disagree=51 and those who strongly disagree are =13%.

These results shows that the highest number of employees (64%) was not trained on conflicts management and resolution. The training the followed therefore was very relevant. That is why this study was a needs assessment tool before training on conflicts. It is therefore very important for organizations to be using such needs assessment tools before designing an in-service training tool so that they can effectively bridge the gaps of knowledge by training the staff.

## 6. Conclusion

In conclusion, this study found out that most of the employees believed that conflicts at all level are negative, harmful and should be avoided. In other words their point of view is within the traditional paradigm. Such a state is retrogressive in organizational development because it serves to hold employees captives and hostages in thinking and as far as contribution to decision making is concerned. When people are operating within this paradigm, they are less assertive, fearful, blame shift and sustain status quo. It is clear from the findings that interactionist school of thought is scarcely in operation. Interactionist school of thought in a nutshell view conflicts as positive force in a group that if well managed, it can lead to creativity, innovation and development. It rests on the premise that avoidance of conflict and believing that conflicts of all kinds are harmful is in itself a dangerous state. This theoretical thought believe that an harmonious, peaceful and tranquil group leads to stagnation, status quo, apathetic and non-responsive to need for change and innovation (Rout and Omiko 2007). They further argued that in situations that call for creativity and when discussions of alternative are needed, conflicts are necessary and should be taken positively.

## 7. Recommendations

Based on the findings of this study, the following recommendations are made:

Before any in-service is done, it is prudent to conduct needs analysis so as to understand effectively the necessary gaps that the training will fill. This will be in line with the bottom-up approach to training program design within post-positivist paradigm.

Secondly this study recommends that one of the most effective strategies in the process of conflict management and resolution is ensuring that employees understand the meaning and the nature of conflicts positively based on the current parading of interactionist school of thought.

Thirdly, this study recommend that regular and strategic professional development for employees in any organization should be given priority since there are a lot of changes in the present world. This will enable them to cope with the current dynamics in the global world and enhance their performance.

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