Organizational Conflict and Organizational Performance

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ABSTRACT

Conflict is found everywhere. Conflicts are part of human nature. Organizational conflict can affect organizational performance. The good news is that conflict can be extremely productive and useful for companies, organizations and individuals. Though conflict is often viewed as negative, it is capable of increasing organizational innovativeness and productivity, thereby improving organizational performance. In addition, conflicts build the spirit of teamwork and cooperation among the employees of an organization and conflict management skills can be learned. When conflicts are properly managed in organizations, it will lead to the attainment and achievement of organizational goals and objectives. Even the most extreme conflicts can be resolved through bonding, dialogue and negotiation.

KEYWORDS: conflict; conflict management; organization; organizational performance

INTRODUCTION

When people work and interact together, things do not always turn the way people want it to be. There are always misunderstandings and things do not always go smoothly. Indeed, conflict is an inevitable element of relationships in organizations. Conflict is a natural occurrence in all businesses, may it be a small organization or a big corporation. What makes them only different is how management views and addresses conflicts in their respective organizations.

Conflict can be viewed as either negative or positive. According to Fiumano (2012), the word ‘conflict’ connotes something bad. Indeed, managers and management theorists have traditionally viewed conflict as a problem to be avoided. When people think of conflict, they think of two people or groups of people in a heated argument. But as the workplace shapes itself to recognize and be more accepting of diversity and differing opinions and as companies write their diversity policies, they change the way they view conflict. Instead, organizations embrace it as something to be valued instead of something to be afraid of.
Conflict is not at all bad. People have come to recognize that though conflict can be a major problem, certain kind of conflict may be beneficial. Well-managed conflict can bring enormous benefits to people and companies. In fact, conflict management is often one of the biggest drivers of change. If properly handled, it can help people to be more innovative, create stronger bonds, build effective teams, establish strong working relationship and eventually improve individual as well as organizational performance. The key is to openly face an issue and negotiate a win-win outcome.

ORGANIZATIONAL CONFLICT

Organizations are networks of interpersonal relationships designed to reach an objective and accomplish goals. They transform inputs into the desired end-goals by putting together technologies, procedures and people. The management system is responsible for the coordination of these resources to reach the goals.

To be a part of an organization or to do business is to be in conflict. Conflict is built into organizational life. According to Adomi and Anie (2005) conflict is a fact of life in any organization as long as people compete for jobs, resources, power, recognition and security. In addition, dealing with conflicts is a great challenge to management. It is important to view conflict not a negative but positive way.

Conflict is defined as a disagreement, a battle or to be at odds. In essence, conflict is a differing of opinions, point of views or ideas. Conflict occurs when two or more people see things from different perspectives, given their education, background, upbringing, knowledge of the issue, beliefs, time of day, mood, etc. (Fuimano, 2012).

Moreover, Plunkett, et al (2005) defined conflict as a disagreement between two or more organizational members or teams. Conflict occurs because people do not always agree – on goals, issues, perceptions, and the like – and because people inevitably compete.

In addition, Kohlrieser (2007) described conflict as a manifestation of difference between two or more persons or groups characterized by tension, disagreement, emotion or polarization, where bonding is broken or lacking. Griffin (1997) stated that conflict manifests itself in a variety of ways: people may compete with one another, glare at one another, shout, or withdraw.

According to Leung and Tjosvold (1998) conflict has traditionally been defined as opposing interests involving scarce resources, goal divergence and frustration. Conflict is often to occur in mixed-motive relationships where persons have competitive and cooperative interests (Walton and McKersie, 1965). The competitive elements create the conflict (Plunkett et al, 2005) and the cooperative elements create the incentives to bargain to reach an agreement.
Although, conflict is often defined as disagreements brought about by incompatible goals and interests, conflict may occur even when people have highly compatible goals. When people’s actions are incompatible, conflict exists, even when their desired end-states are compatible.

**ORGANIZATIONAL PERFORMANCE**

Every organization is concerned with its organizational performance. Dodd (2003) as cited by Ongori (2009) stated that businesses nowadays are operating in a turbulent environment where organizations are searching for measures that will allow them to improve their performance and competitiveness. Thus, it is very important for organizations to look and find what promotes and impedes good organizational performance.

Organizational performance cannot be achieved only by implementing the right strategies and with the right technologies but also by improving organizational climate. Conducive organizational environment is one factor that can boost organizational performance. Maintaining conducive organizational climate is one of the main jobs of the top management. One source of negative environment is conflict. Managing conflict for a better result is important.

The manager, then, needs to identify the positive and negative aspects of conflict. Dysfunctional (negative) conflict limits the organization’s ability to achieve its objectives while functional (positive) conflict supports the objectives of the organization (Griffin, 1997). Dysfunctional conflict leads to poor or low performance whereas functional conflict can improve the organization’s performance. People can be motivated to improve performance by competition – a kind of conflict – if they think their way is better than someone else’s.

In addition, as long as conflict is being handled in a cordial and constructive manner, it serving a useful purpose in the organization thus, improves performance. On the other hand, when working relationships are being disrupted and the conflict has reached destructive levels, it has likely become dysfunctional creating poor performance and needs to be addressed.

Griffin (1997) claims that if there is absolutely no conflict in the group or organization, its members become complacent and apathetic. As a result, group or organizational performance may subsequently begin to suffer. A moderate level of conflict among group or organizational members, on the other hand, can spark motivation, creativity, innovation, and initiative and raise performance. Too much conflict, though, can produce such undesirable results as hostility and lack of cooperation, which lower performance. The key for managers is to find and maintain the optimal amount of conflict that fosters performance. Of course, what constitutes optimal conflict varies with both the situation and the people involved.
THE EFFECT OF CONFLICT TO ORGANIZATIONS

Not all conflicts are bad and not all conflicts are good. Conflict is a powerful force in organizations and has both positive and negative consequences to the organization. Most people view conflict as a negative force for the success of the organization or in reaching common goals. Conflict can create negative impacts to a group but may also lead to positive effects.

Recent researches have demonstrated that conflict help managers confront reality and create new solutions to tough problems. When conflict is well-managed, it breathes life and energy into people’s relationships and makes people more productive. Conflict is also necessary for true involvement, empowerment and democracy. It allows people to voice their concerns and opinions and create solutions responsive to several points of view. The result is, they become more united and committed.

Well-managed conflict also develops people’s individuality. By this, people become more fulfilled and capable. Conflict also creates a channel to form and express people’s needs, opinions and positions. Through conflict, people also feel unique and independent as well as connected to others.

Conflict stimulates involvement in the discussion, builds group cohesion and also improves quality of decisions (Henry, 2009). In addition, conflict in the organization builds cooperation among the employees, encourages organizational innovativeness and improves quality decisions in resolving conflicts (Hotepo, et al, 2010). When people are in conflict, it allows people to bring out their concerns which lead to discussion of the issues which in the end creates a better decision. After all the conflict, having people working in unity and harmony creates a better company.

Conflicts can also be destructive especially if it consumes individual members’ energies in dealing with the conflict instead of concentrating on other productive activities of the organization. Conflict interferes with group process and group members may become unwilling to work with members of the group. If conflicts are not resolved properly, it might affect the organization adversely in terms of poor performance, lack of cooperation, wasting of resources and productivity (Hotepo, et al, 2010). Furthermore, unresolved conflicts tend to grow into bigger conflicts (Knippen and Green, 1999), the more it grows, the greater the problems are and the more severe they become.

The potential value of conflict also points to the challenges to manage it well. The consequences of conflict – strong relationships, individuality and productivity – are also needed for it. However, this positive conflict view must be tempered with the understanding that it is the appropriate, skilled management of conflict, not the conflict itself, that contributes to organizational success. Learning to manage conflict is a wise investment for individuals and organizations preparing for the uncertain future.
CONCLUSIONS

Every day, and everywhere people argue, debate and develop solutions to many issues which arise in the course of doing business. People learn to use their conflicts to keep abreast of changes and reach their goals. However, people must learn to maintain harmonious relationships and discuss issues openly, respectfully and rationally to make their conflicts productive. Therefore, it is the duty of the management and the employees to develop ways on how to promote cohesiveness in organizations and if possible, conflicts should be resolved at their stage to enhance organizational performance

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