FACTFILE:
GCE PROFESSIONAL BUSINESS SERVICES

UNIT AS 2: MANAGING CONFLICT

Learning Outcomes

Students should be able to:

- Demonstrate knowledge and understanding of the two types of conflict:
  - functional; and
  - dysfunctional;

- Demonstrate understanding of the causes of conflict at work, for example: poor leadership and management; unclear job roles; and poor communication;

- Evaluate how conflict affects:
  - employee performance;
  - motivation;
  - behaviour; and
  - staff absence rates;

- Analyse the different approaches a Professional Business Services firm may advise a client to take, to improve employer/employee relations for example:
  - improved communication;
  - employee representative groups;
  - employee representative on Board of Directors
  - transparent policies and procedures; for example, communications;

Conflict

Conflict exists within organisations through the world and occurs on a daily basis. Instances where conflict can occur include:

- between employers and employees;
- between a manager and their employee(s);
- between managers and managers; and
- between or among employees.

Conflict can be disruptive (CIPD, 2016) to business and manifest itself in the form of industrial disputes (strikes) or it can have a positive impact whereby new ideas and products are created through the sharing of ideas and the acceptance of the production of new products and new ways of working. The approaches used to deal with conflict can impact on a businesses' profits, productivity, employee morale, and reputation (brand). Effective business practices can help minimise the occurrence of conflict and deal with conflict in a systematic and comprehensive way which results in: the saving of time and money; and an environment where employees want to attend work and remain with the organisation.

Table 1. provides a number of definitions in relation to conflict. While the definitions tend to convey a negative perspective in that disagreement(s) exist between individuals or groups it is very important to note that conflict can have positive effects on people and organisations regarding performance.

Table 1. Definitions of Conflict

Author (s)	Definition
Thomas, K.W. (1976, p. 891)	"the process which begins when one party perceives that another has frustrated, or is about to frustrate, some concern of his."
Robbins (1978, p.67)	"any kind of opposition or antagonistic interaction between two or more parties."
Roloff (1987, p.496)	"organizational conflict occurs when members engage in activities that are incompatible with those of colleagues within their network, members of other collectivities, or unaffiliated individuals who utilize the services or products of the organization."
Rahim (2002, p.207)	"an interactive process manifested in incompatibility, disagreement, or dissonance within or between social entities (i.e., individual, group, organization, etc.)."

© Martin Mulholland 2016
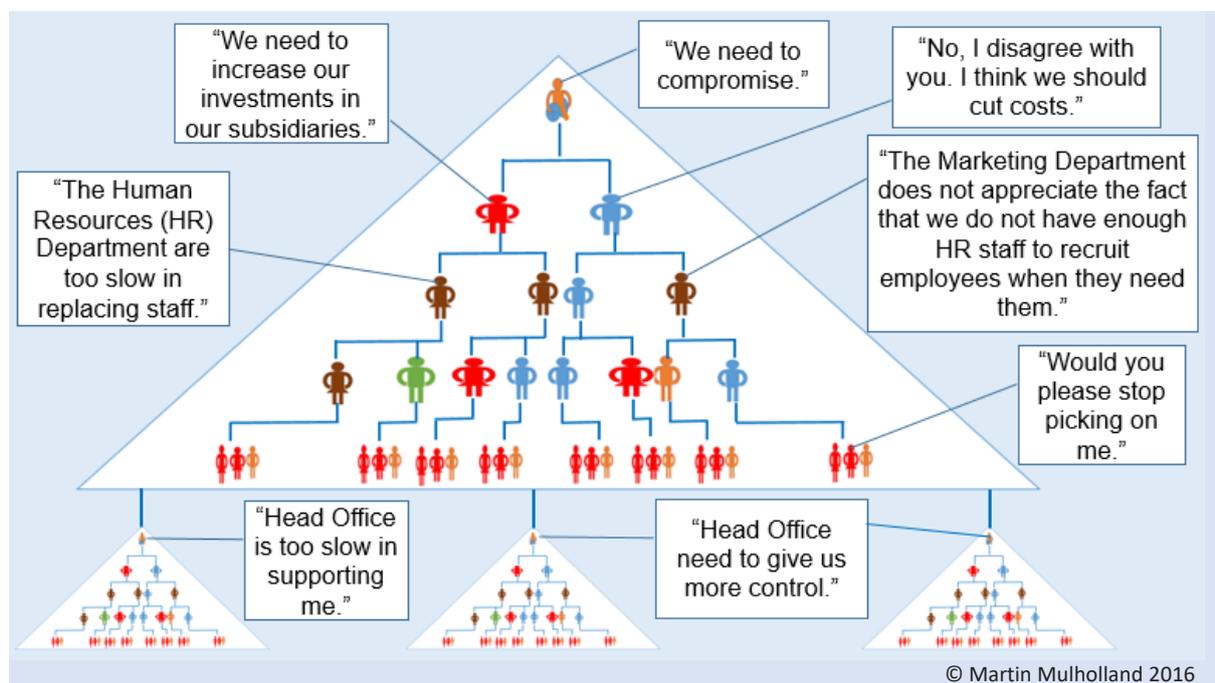
Figure 1. Employee conflict within the organisation

Robbins (1978) notes that conflict can have a positive effect on the performance of a business. He refers to this type of conflict as functional conflict. He also points out that conflict can also have a negative effect whereby business performance is decreased. This calls this type of conflict dysfunctional conflict. Robbins also recognised that there was also the possibility that conflict could exert a positive influence (functional conflict) on group performance at a point in time but at a later date the effect on performance with the same group could be negative (dysfunctional conflict). Robbins also stated that what may be perceived as functional conflict by a manager or organisational group may be viewed by another manager / organisational group as dysfunctional conflict. Technology, job redesign, new leader /

group member. Clearly managers need to think very carefully before engaging in any activity or change event that may create conflict and impact upon business performance.

Figure 1. illustrates how conflict can occur within organisations in a number of different ways. Conflict can occur: between individuals; within groups or teams; among groups or departments; between management and employees; within management teams. It is clear that conflict can be dysfunctional as it can reduce employee performance, decrease organisation output and have an adverse effect on the health of employees. However, there is also the possibility that conflict can spark creative thinking among employee whereby new ideas, for example, relating to
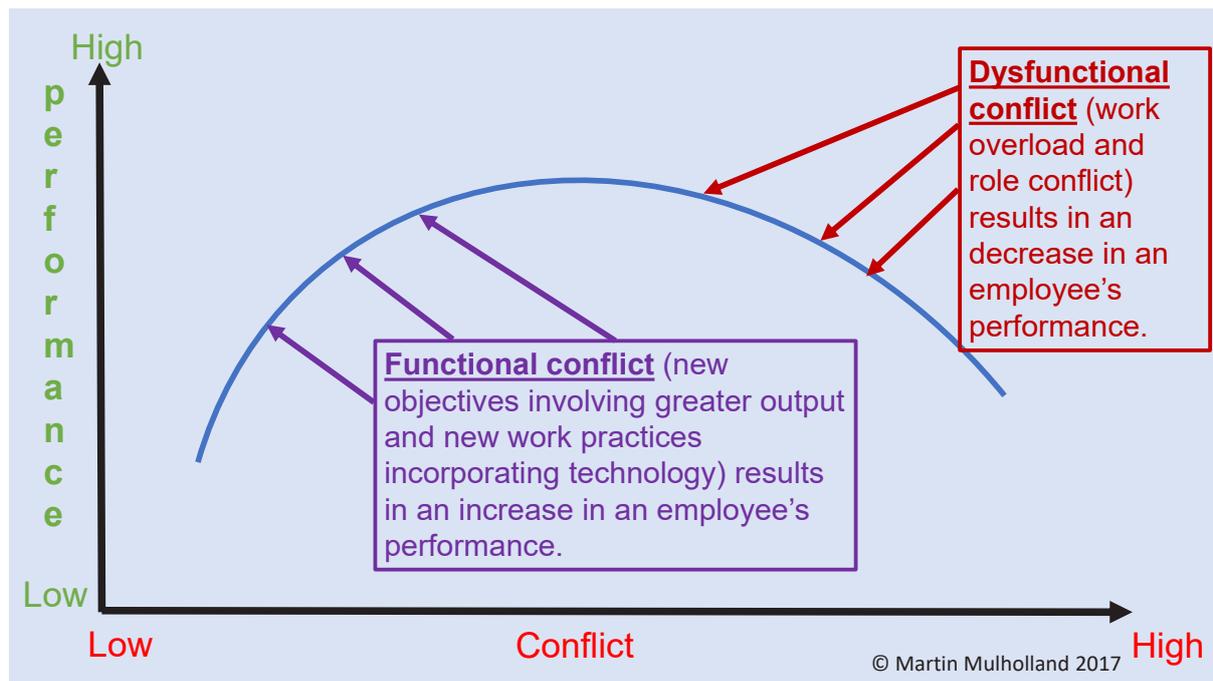
Figure 2. Impact of conflict on an employee's level of performance

work processes, are generated in order to solve problems. Furthermore, decision-making in the organisation may be improved as different views can provide more information and insights into how to address a business issue such as investing in new technology. These types of solution may result in an improved level of employee performance as illustrated in Figure 2.

An employee may be involved in discussions with their line-manager over their set objectives for the next year. These new objectives may involve the employee having to increase their level of output and engage in new work practices. These discussions may also entail some degree of negotiations whereby the employee may be offered an increase in salary or an additional benefit (gym membership, health care insurance, more holiday tie, or more flexible working arrangements). Through this process of functional conflict the employee's level of performance is increased. However, if the employee's workload is increased beyond their capacity to do the work then the employee may suffer undue levels of stress, become less motivated, and their level of performance may decrease.

Causes of conflict

Linstead et al. (2009) note that employees within an organisation may experience *felt conflict* which is where the person(s) concerned may experience fear, anger and mistrust. Employees may also engage in behavioural conflict where they display different levels of conflict which may include: complaining; working to rule; not attending work (absence); and going on strike. While personal factors may contribute to conflict, organisation related factors may also cause conflict.

Daft (2008) and Linstead et al. (2009) note that organisation related causes of conflict may include:
1. a reduction in financial resources which causes arguments over the size of budgets that managers may be allocated
2. work-related objectives and activities of individuals within a department being at odds with the objectives of a team in which they are also a member.
3. employees applying for the same promotion which influences an employee not to share information with a colleague who is also applying for the same promotion in order to have an adverse impact on their performance.
4. elements of an employee's job that does not relate to the promotions criteria which reduces the possibility of promotion.
5. an unclear job role such as where an employee is employed to provide customer care but is not told what the customer care consists of.

3

Improving employer / employee relations

ACAS (2014) and CIPD (2017) offer advice on how to improve employer / employee relations within the workplace. For example, employee relations may be improved through: communication; employee representative groups; employee representation on the board; the provision of transparent policies and procedures; and third parties.

1. Communication

Communication can be improved within a business by ensuring that all employees understand the communication process (Berkeley, 2017) and that different communication channels are in place to facilitate effective communication.

The communication process consists of a sender and a receiver. The sender creates the message and then puts the message into a verbal and/or written format. The sender then chooses how this message will be sent (email, meeting, telephone) to the receiver. When the receiver receives the message they will decode (interpret) the message. To reduce the likelihood of any misunderstanding the sender should ensure that the message is clear and can be understood by the receiver. The channel for sending the message should ensure that the message is received and that this is the most appropriate way to send the message. If the receiver is not clear on any part of the message, then they should contact the sender for clarification on the parts of the message that are unclear to them.

The sender should also take into consideration the timing and frequency of any messages that are to be sent and how the receiver is likely to react to the message(s) in terms of timing and frequency. Communication can be either formal or informal within the business.

Employer / employee meetings create a forum for communication and can occur through departmental meetings, team meetings and appraisals. Monthly staff newsletters allow staff and employers to provide information for everyone to read. Annual reports and staff surveys also provide channels of communication that keep employees and employers updated and informed as to what is happening in the business.

2. Employee representative groups

Employees may be elected by other employees, for example, trade union representative(s), or appointed by management to represent employees within the workplace. This form of employee representation gives employees a voice within the workplace. It also allows employees to raise matters through their representative which give them a degree of anonymity and perceived safety in being able to raise a matter where they will not be adversely looked upon.

3. Employee representative on Board of Directors

An employee who is a representative on a Board of Directors is able to represent the interests of employees and has the ability to exercise power by having a vote in relation to any decisions that may be made. This type of representation also allows employees to be more informed about business decisions that may affect them. The degree of employee representation will be determined, to a large extent, by the number of employee representatives in relation to the total number of representatives on the board.

4. Transparent policies and procedures

All policies and procedure should be available to employees and employees should be informed as to where these policies and procedures can be accessed. For example, the policy and procedures for promotions should be available to employees and it should be clear what the employee needs to do in order to apply and be considered for promotion. An appeals process should also be stated which would allow the employee to decide if they wanted to appeal their promotions decision if they were unsuccessful.

5. Third parties

Employers / employees may also avail of the opportunity of engaging third party organisations such as consultancy firms, the Labour Relations Agency (LRA, 2017), and The Advisory, Conciliation and Arbitration Service (ACAS, 2017) that specialise in providing advice and support in relation the improvement of employer / employee relations.

References

ACAS (2014) *Managing conflict at work*. The Advisory, Conciliation and Arbitration Service. Available at: http://www.acas.org.uk/media/pdf/h/r/Managing-conflict-at-work-advisory-booklet.pdf [Accessed on 21 October 2016].

ACAS (2017)   *Help & advice for employers and employees*. The Advisory, Conciliation and Arbitration Service. Available at: http://www.acas.org.uk/index.aspx?articleid=1461[Accessed 02 February 2017].

Berkeley (2017) *Berkeley Human Resources: Managing Conflict*. University of California, Berkeley. Available at: http://hr.berkeley.edu/hr-network/central-guide-managing-hr/managing-hr/interaction/conflict [Accessed on 21 April 2017].

Berkeley (2017) *Berkeley Human Resources: Resolving Conflict Situations*. University of California, Berkeley. Available at: http://hr.berkeley.edu/hr-network/central-guide-managing-hr/managing-hr/interaction/conflict/resolving [Accessed on 21 April 2017).

CIPD (2017) *Factsheet: Employee relations: an introduction*. Chartered Institute of Personnel and Development. Available at: https://www.cipd.co.uk/knowledge/fundamentals/relations/employees/factsheet [Accessed on 02 May 2017].

Daft, R. (2008) *Management*. 8th Ed., Thomson South-Western.

Hanegan, T. (2008) *Management: Concepts and Practices*. 5th ed. Pearson education Limited.
Linstead, S., Fulop, L. and Lilley, S. (2009) Management and Organization. 2nd ed., Palgrave MacMillan.

LRA (2017) *About Us*. Labour Relations Agency. Available at: https://www.lra.org.uk/ [Accessed on 03 February 2017].

Robbins, S. (1978) "Conflict Management" and "Conflict resolution" are not synonymous. *California Management Review*, Winter, Vol. XX1, No.2, p.67 – 75.