

ST.MARY'S UNIVERSITY COLLEGE
FACULTY OF BUSINESS
DEPARTMENT OF MANAGEMENT

AN ASSESSMENT OF CONFLICT AND CONFLICT
MANAGEMENT PRACTICES OF COMMERCIAL
BANK OF ETHIOPIA
(WITH PARTICULAR REFERENCE TO HEAD
OFFICE)

BY
FRESH GETU

JUNE 2010
SMUC
ADDIS ABABA

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**A SENIOR ESSAY SUBMITTED
TO THE DEPARTMENT OF MANAGEMENT
FACULTY OF BUSINESS
ST.MARY'S UNIVERSITY COLLEGE**

**IN PARTICULAR FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF BACHELOR OF ARTS IN
MANAGEMENT**

**JUNE 2010
SMUC
ADDIS ABABA**

ACKNOWLEDGEMENTS

I am grateful to the almighty God for helping me since day one and to various people, who have shown their full cooperation in the preparation of my final essay. I wish to express my gratitude to my Advisor Ato. Biruk G., my mother W/ro Sisay Bogale, my father Ato. Getu Belete, Ato. Zellalem Tadesse, Zerefa Assefa, Gebremeskel Wondemu, Ato. Endale Ashagera and the administrative staff member of Commercial Bank of Ethiopia, Ato. Yekunuamlak Engedawork, Ato. Dejene Alemu for their constructive suggestions and cooperation in the preparation of material for my paper and for giving permission to use the extracts from various documents.

I also acknowledge with thanks the love and support from my best friends and my families.

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CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Individuals and groups interact among each other in their day-to-day activities in the struggle for survival and achievement of their own goals. This interaction that exists among them is a source for the formation of hostility, ambivalence, disputes, violence, aggression, and domination of the individual or group interests over the sacrifices of the other members of the interacting group or society so that it makes interaction with the universe for conflict. A state of disagreement between individuals and groups that arise in almost where there is human interaction originates in competition for influence incompatible goals, antagonistic actions, divergent ideas, inconsistent demands, unsatisfied needs, unfulfilled interests, unfair distribution of work and running for different aims. Depending on the intensity and degree of manifestation such kind of social phenomena structure themselves as conflict. According to their bases and backgrounds, conflicts occur in different aspects like psychological aspects, political aspects and social aspects that all of them affect educational, cultural, economical and social status of a country (Creamer, 1991:314).

As the interaction of people in a specified universe of organization increase, the possibility of conflicting situation also increases. Organizations are composed of complex social systems that they consist of different individuals who have their own interest, goal, needs, feeling, background, etc, with in the same organizational aim of the firm. Peoples participating in the activity of the organization: bosses, peers, subordinates, supervisors, specialists and ordinary employees have their own unique dynamic human nature even if all of them do towards the ultimate objective of the organization with such number of groups and individuals who have their own interest, the interaction between them contributes to a great extent for the formulation of conflict. In connection to this, due to the intellectual characters, which are based for the formulation of opposing ideas, culture diversity and multiplicity of their needs and interests, organizations are fertile environments for conflict. (Creamer, 1991:314).

Commercial Bank of Ethiopia is one of the leading bank in Ethiopia, established in 1942. And also a pioneer to introduce modern banking to the country. It has 205 (two hundred five) branches stretched across the country. C.B.E combines a wide capital base with more than 8,000 talented and committed employees. C.B.E believes that its employees are its valuable assets. Also is an equal- opportunity employer; and is a corporate citizen. Thus, this study deals with conflict and conflict management in Commercial Bank of Ethiopia (CBE).

1.2. Statement of the Problem

Commercial Bank of Ethiopia has been one of the movers of the Ethiopian economy for the past 66 years. No other strong bank existed in the country when CBE was officially launched in 1942. CBE has ensured sustainable profitability with strong support to the country's economic growth expanded it's branch network covering large geographical areas, substantially increase it's customer base and capital size and most of all become one of the top African banks in terms of assets and capital size. Building upon these achievements, CBE has massively engaged in transformational activities with the vision of becoming a world – class commercial bank. Business process reengineering (BPR) has been chosen as a management tool to support this change initiative. (Unpublished brochure of CBE)

Commercial Bank of Ethiopia as an organization has employees who have different interests and unique characteristics shaped by culture, social and biological backgrounds under the same goal and objectives of the organization. This situation with other conflicting factors put the interaction among individuals and groups with in the organization in danger and consequently, it affects an organization's overall personality, performance and productivity. Thus, this research paper assumes that conflict between individuals and groups tend to result an adverse effect on CBE's achievement of goals. Most people agree that death and taxes are inevitable; conflict is too for managers! Moreover, change is the major source of conflict.(Bennett and Hess,2004:380).

Effective conflict and conflict resolution practices contribute a lot for achieving organizational objectives. However, CBE is not considering conflict resolution as one important role of management and conflicts are not resolved in the right time to the best interest of the corporation and employees, too. CBE is also unwilling to resolve conflicts.

CBE goes for temporary solutions to conflicts; rather than identifying the root causes of the conflict, understanding the nature of the conflict, assessing all possible alternatives and then passing the best possible solution to the conflict.

In CBE, communication is not effective enough as a result many work process are not effectively completed. This has been creating conflict among different levels of operations. There is also no clear understanding of conflict and conflict management practices when compared to other functional activities; close attention is not also given to conflict and conflict resolution. (researcher's observation)

In this study, the paper would like to answer the following research questions.

1.3. Research Questions

- What are the factors that bring conflicts at CBE?
- What are the views of the management and employees towards conflicts at CBE?
- How is the conflict between the employees and management resolved in CBE?

1.4. Objectives of the Study

1.4.1. General Objective

The major objective of the study is to assess conflict and conflict management practices of CBE head office.

1.4.2. Specific Objectives

The specific objective of this study will be:-

- To examine the factors that brings conflicts at CBE between employees and managements.
- To know the views of management and employees towards conflict.
- To investigate techniques that are used to resolve or stimulate conflicts in CBE.
- To investigate the extent to which management and employees understand conflict and how they react to it.

1.5. Significance of the Study

The researcher believes that the results of this research are given to the official of CBE. In this regard, the study also intends to suggest possible solutions to the problems that are identified.

1.6. Delimitation of the Study

The study delimited by subject, area, department and time. Accordingly, it is believed to narrow the scope of this study by department. The study do not include intrapersonal or interpersonal as it's more of covert (changing) psychological behavior.

Conflict is inevitable and occurs at all levels of any organizations. It was found difficult to assess conflict and conflict management at all level of head office of commercial bank of Ethiopia. To this end, the researcher has delimited the study on professional employee like the diploma, degree and masters holders by assuming that these employees are experienced much to the situation than lower level employees, like janitors and security guards

1.7. Definition of Terms

A contest or opposing forces existing between primitive desires and moral, religious or ethical ideas (Webster's Dictionary)

1.8. Research Design and Methodology

1.8.1. Research Design

In this study descriptive research method is used. This method is used to describe conflict and conflict management practices of the organization. In line with this, the method enables to describe the phenomena at hand.

1.8.2. Population and Sampling Technique

In this study employees and officials of the bank are considered as a unit of study. Out of the total of 1500 professional employees that have been working in CBE head office 12% (180) employees are contacted. In line with this, the employees were contacted on the basis of random sampling technique on the ground that this technique allows the student researcher to gain

unbiased estimates of the population's characteristics. Beside, interview is held with two senior officials of the bank.

1.8.3. Types of Data Used

To obtain relevant data and to achieve the stated research objectives, the researcher uses both primary & secondary data. The primary data is collected from employees and officials of the bank. Further, the secondary data such as books, published and unpublished materials used for other purpose is used to endow with a theoretical frame work.

1.8.4. Methods of Data Collection

The data used in this study is collected by using questionnaire, interview and focus group discussion. Questionnaires are distributed to the employees of CBE head office. The questionnaires contain both open-ended and close-ended types. The interviews were made with higher officials of CBE.

1.8.5. Data Analysis Methods

Both qualitative and quantitative approaches are used to analyze the data. The data that are collected through the designed questionnaire was tallied and presented in a tabular form. Furthermore, qualitative data was obtained through interview and open ended questions availed in the questionnaire were narrated.

1.9. Limitations of the Study

It was found difficult to conduct the study in all organizations due to financial and time limitation. So the researcher were forced to choose only one branch out of the 207 branches that CBE have.

1.10. Organization of the Study

The research paper contains four chapters. The first chapter discusses the introduction part which contains background of the study, statement of problem objectives of the study, scope of the

study, significance of the study, research questions. Chapter two deals with the related literature review for the study views of different authors about the subject under the study were stated. In the third chapter contains the data presentation, analysis and interpretation of the study and the last chapter contains the summary, conclusions and recommendations of the whole research paper.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. An overview of conflict

For an organization to perform effectively, independent, individuals and groups must establish working relationships across organizational boundaries. Individuals and groups may depend on one another for information, assistance or coordinated action since they are interdependent. This interdependence may foster cooperation or conflict (Ivancevich, 1990:302).

In the most general terms, the term conflict is defined by the Random House Dictionary of the English Language as:

“ A battle or struggle, especially a prolonged struggle, strife, controversy, a quarrel, disorder of action, feeling, or effect; a striking together; collision; incompatibility or interference, as of one idea, desire, event, activity, etc, with another.” (Jandt, 1985:24)

These definitions indicate that conflict is irresolvable without combat and they encourage the assumption that conflict is evil in itself.

Rashid and Archer (1983:311), defined conflict as “the pursuit by different persons of goals that are incompatible so that gains by one person must inevitably come about at the expense of the other.” Further more according to Steers (1985:419) conflict also defined as “a condition that appears when the goal directed activities of one group or coalition of groups block or is thought to block the goal directed activities of other groups.”

Unlike the first, these two definitions suggest that the essence of conflict is the inability of two group or individuals to achieve their goals simultaneously and it doesn't necessarily lead to combat. When the action of one group makes it difficult or impossible for another group to pursue its goals, conflict is likely to result. It is also important to recognize that conflict can result when the incompatibility of goals is more apparent than real. When groups believe that the actions of another group threaten their ability to accomplish a task, conflict may result whether they are right or not (Robbins, 1989:367).

Regardless of the quality of a manager's leadership or his or her style of management and however well planned the organizational structure; conflicts will occasionally arise within an organization. The amount of conflict that occurs in a given organization will depend upon the severity of the prerequisite conditions (i.e. sources of conflict). However, since at least moderate levels of these prerequisite conditions are likely to exist in all organizations, all organizations are likely to exhibit at least some degree of conflict (Rashid and Archer, 1983:11).

2.2. The nature and perspectives of organizational conflict

For the longest time, the prevalent view of conflict within organizations was that conflict is intrinsically bad and its presence indicates that something is wrong. Consequently, this view suggested that since conflict is inherently bad, it must be eliminated. However in recent years, the perspective on conflict has been gradually changed. The new approach regards conflict as inevitable and not necessarily harmful. According to this approach, some kinds of conflict can contribute immeasurably to the health and wellbeing of the organizations. Now the trend is to recognize that some anxiety and conflict are needed for us to behave most efficiently and should be, therefore, managed effectively (Jandt, 1985:23-24). According to the contemporary perspective (Ivancevich, 1990: 303), there are two types of conflict in organizations, which are functional and dysfunctional conflict.

Functional conflict as the author (1990: 304) stated: "is a confrontation or interaction between groups that enhances and benefits the organizations performance." It is a moderate level of conflict that arises within organizations. It usually occurs between two or more groups within a firm and improves the organizations performance and output. For example, the accounting, finance, management and marketing departments in a university may disagree about undergraduates' core curriculum. This type of conflict encourages creative thinking and contributes to the schools improved performance. Whatever the outcome, student will benefit from a better program of instruction. This indicates that functional conflicts are disagreements within the organization but they result in positive consequences to the organization's performance.

Dysfunctional conflict hinders and prevents organizational goals from being achieved. As Ivancevich stated: “It is any confrontation between groups that harm the organization or hinders the achievement of organizational goals.” (Ivancevich, 1990, 305) when one group or person seeks to achieve his or her own goal at the total expense of or with disregard for others, usually dysfunctional conflicts will result. For instance, if the MBAs at a school press for receiving all the scholarship monies budgeted for the business school with no consideration for undergraduates, conflict will result among students and faculty members who have personal prejudice for one program over the other (Terry and Franklin, 1988:247).

2.3. Conflict Generating Factors

Every group or individual comes in to at least partial conflict with every other group or individual with which interacts (Gorden, 1987:476).

Conflict is rooted in interaction and is the result of the structural characteristics of the organization and personal traits of key employees. To understand the sources of conflict, we must take a broader look at the organization and its environment. In this section, the paper will examine seven factors that contribute to intergroup or interpersonal conflict.

2.3.1. Group Interdependence

Jerry and Franklin (1988:248) identified three types of group interdependence that contribute to conflict: pooled, sequential and reciprocal.

1. **Pooled Interdependence:** - is when various units of an organization interact only through the total organization. Interdependence exists when both the group contributes to the well being of the whole organization: conflict and ill feeling may arise.
2. **Sequential interdependence:** - is when one organizational group must complete its activities and work before another group can begin work on the product or project. The output of one group is the input for another, and conflict can easily occur if delays are caused or sloppy work is done by the first sequential group. For instance, in a furniture factory the cutting department must complete its work before the gluing group can put the pieces together likewise the finishing unit must wait for the gluers to complete their jobs to finish the piece.

3. **Reciprocal interdependence:** - exists in more complex organizations in which outputs of various groups serve as input to other key groups in the organization. The NASA space shuttle launch is a perfect example of flight crews, and engineering, computer and security departments interdependently contributing to the central launch command room for the take off. Imagine the potential conflict that could have occurred if the computer malfunctioned and delayed the launch.

2.3.2. Communication Obstacle

“The need to know about ones situation, status, prospect, company policies, contemplated changes, etc, is one of the most basic needs of employees. Lack of communication causes fear, confusion, misunderstanding and distrust.”
(Agarwal, 1994:182).

Improper communication as a result of communication barriers will lead to misunderstanding which is the manifestation of conflict among parties involved.

“When employees are organized in to separate units with in the organization, communication among the units frequently becomes more difficult. This may be partially true when the units are separated geographically, as often happens in large corporations. Many conflicts in organizations probably can be attributed to the failure of the parties involved to communicate effectively with each other.” (Steers, 1985:45)

Communication seldom succeeds in achieving full understanding among communication parties. The most important cause of distortion in communication is that people are different and every one looks at the phenomena with his or her rose- colored glass. So individuals may perceive the same thing or event differently and, as a result, misunderstanding and conflict occurs. For example, different meaning and importance of a thing or an event for workers and management.

2.3.3. Informal Groups

Although informal groups provide a number of benefits for the formal organization, they create unique challenges and potential problems for management. They tend to generate conflict with in the organization because they are resistant to change and the existence of rumor.

Perpetuation of values and life style causes informal groups to become overly protection of their culture and therefore resist change. Informal groups have their own group norms and they are

resistance to organizational changes so that they come in to conflict with the management of the organization.

In informal groups the grapevine dispenses truth and rumor with equal vengeance. Ill-informed employees communicate unverified and untrue information that can create a devastating effect on employees. This can undermine moral, establish bad attitudes, and often result in deviant or even violent behavior.

2.3.4. Role Conflict

There are three possible role behaviors: expected role, perceived role and enacted role.

Each position in the group structure has an associated role that consists of the behaviors expected of the occupant. It is a role assigned to a position and expected to be performed by the person occupies that position. Perceived role is the set of behaviors that a person in a position believes he or she should enact. But perception can, in some instances, be distorted or inaccurate. The enacted role on the other hand, is the behavior that a person actually carries out (Gorden, 1987:186). Differences in these three role types can arise conflict between groups and individuals. For instance, in any formal organization each position has its own responsibility assigned, i.e., expected to be performed by the occupant of the position. But, since perception is sometimes inaccurate, the occupant may look at the expected role inaccurately and act or carries out the role accordingly. When the enacted role inaccurately and act or carries out the role accordingly. When the enacted role deviates too much from the expected role, conflict between the parties involved may arise.

Furthermore, through membership in different groups, individuals perform multiple roles. These multiple roles result in a number of expected role behavior when they are not compatible, the individual experiences role conflict. For instance, in a formal organization, when informal groups evolve gradually with goals not consistent with those of the formal organization, it can cause a great deal of inter role conflict for the group members. (Mitchell and Larson, 1987:264)

Employees desire to fulfill the requirements and services of both the formal group and management but what is good for and desired by informal group satisfaction may lead to

members away from formal organizational objectives. Finally, they end up coming to conflict either with the group or the formal organization management.

2.3.5. Departmentalization and Specialization

Departmentalization

When the organization is departmentalized or divided into sub units, the sub units often develop dissimilar goals. A goal of a production unit may include narrow product lines to keep production costs at a manageable level and increase productivity while the marketing department desires broad product lines to offer ore variety to customers. Because of the different goals of these two groups, conflict can result when they interact (Terry and Franklin, 1991:248).

The other problem that could arise as a result of departmentalization is associated with scarcity of resources. When different units rely on a common source of resource that is insufficient to supply all the demands, competition is likely to occur. It is common in organizations to find that the budget requests made by separate units exceed the total resources available for allocation when added together. What often occurs in limited resources situation is a win- lose competition that easily can result in a dysfunctional conflict (steers, 1985:425).

Specialization

Conflicts between staff specialists and line generalists are probably the most common types of inter group conflict. With the growing necessity for technical expertise in all areas of organizations, staff roles can be expected to expand, and line- staff conflict can be expected to increase. Ivancevich (1990:312) mentioned the main factors that generate conflict between specialists and line managers that are perceived diminution of line authority, social and physical differences and line dependence on staff knowledge. As the author stated:

“Line managers fear that specialists will encroach on their jobs and there by diminish their authority and power. As a result specialists often complain that line executives do not make proper use of staff specialist and do not give staff members’ sufficient authority often major differences exist between line managers and staff specialists with respect to age, education, dress

and attitudes. In many cases staff specialists are younger than line managers and have higher educational levels or training in a specialized field.'

Further more, as far as dependency of line on staff knowledge is concerned, the same author specifies that line generalists often do not have the technical knowledge necessary to manage their departments; they are dependent on the specialists. The resulting gap between knowledge and authority may be even greater when the staff specialist is lower in the organizational hierarchy than the manager, which is often the case. As a result, staff members often complain that line managers resist new ideas.

2.3.6. Personal Characteristics of Key- Employees

According to Steers (1985: 427) personal traits of key employees also are important in producing conflict. People differ with respect to how aggressively they pursue their units or their own best interest. Managers with higher needs for power and dominance may find themselves in conflict with other managers more frequently than those with lower needs. People also differ with respect to their communication skills. The inability to articulate a position clearly to others may enhance the chances that motives and goals will be viewed with suspicion. As a result, the type of people in organizations partially determines the existence of conflict between individuals and groups.

2.4. The Impact of Conflicts on Organizational Performance

Whether it takes place in a giant industry or small department stores, conflict in a formal organization manifests itself in certain ways. So it is useful to examine briefly some of the consequences and dysfunctional consequences.

2.4.1. Functional Consequences of Conflict

No one would question that conflict is sometimes very destructive in organizations. However managers increasingly are beginning to recognize that positive outcomes are a frequent result of conflict. Several positive outcomes of conflict can be cited (Steers, 1985:419).

1. Conflicts between divergent views in the organization often result in higher quality decisions of favored position of a group to be questioned. If a favored position of a group

is to be questioned, this leads to intensive discussion and deep search so that superior decisions are made. Superior decisions often result when multiple alternatives are available and initially favored alternatives are reexamined in light of new evidence. For example, it was found that problem solving groups composed of members with conflicting groups of view generated significantly higher quality solution than did problem solving groups composed of members who all had essentially the same point of view (Mitchell and Larson, 1987: 420).

2. Conflict among groups often increases their cohesiveness and strengthens them. Members of groups in conflict often increase their identification and loyalty to the group. In a new classic study (Mitchell and Larson, 1987: 420) notes that when groups come in to conflict, members become more loyal to their respective groups and identify with their groups more strongly; as a result, each becomes more cohesive.
3. Conflict may make life more interesting in organizations. Disagreements and divergent view points stimulate and arouse organizational members. Conflict also provides the opportunity to test ideas and assess performance.
4. Conflict can highlight important problems in organization. Disagreements between groups may bring problems to the surface and may lead to changes that improve over all organizational functioning. Conflict also can lead to the design of methods for resolving conflicts in the future

2.4.2. Dysfunctional Consequences of Conflict

Conflict can have positive outcomes in organizations, but it would be wrong to dwell too heavily on its functional aspects because often it has dysfunctional consequences. According to Steers (1985: 419), conflicts between groups or individuals can hinder cooperation and coordination of activities. Furthermore, Bass (1965:326) mentioned that conflict is likely to reduce overall organizational effectiveness because dysfunctional conflict retard creativity, increase frustration, decrease satisfaction with work and with the organization as a whole. In addition, according to Ivancevich (1990:303), dysfunctional conflict can be seen in to two perspectives: when the level of conflict is too low or too high. Two of them have different impacts on organizational performance. As the author stated:

“When the conflict level is too low, performance can suffer. Innovation and change are less likely to take place and the organization may have difficulty adapting to its changing environment. If a low- level conflict continues, the very survival of the organization can be threatened. On the other hand, if the conflict level becomes too high the resulting chaos also can threaten the organizations survival.”(Ivancevich, 1990:307)

Furthermore, he explained that too much conflict could have negative consequences because it requires time and resources to deal with it and invert energy that could more constructively be applied elsewhere (Ivancevich, 1990:303)

2.5. Conflict Stimulation

As S.P Robbins stated Conflict may be harmful to an organization, but there are times when it's useful. It is for this reason that managers must learn to recognize the differences between constructive and destructive conflict situations. The way conflict is managed rather than suppressed ignored or avoided, contributes significantly to an organization's effectiveness. Since conflict has constructive and destructive consequences, it must be analyzed and managed carefully. The manager should seek a level of conflict appropriate to the existing conditions. There are approaches to deal with conflict in an effective way: to create and stimulate constructive conflict and to resolve destructive conflict.

Conflict is not always negative. Conflict, like fire, can be a useful force when properly handled. Stimulating competitions and conflict, sometimes, can have a galvanizing effect on the progress of organizations. An environment devoid of novelty, challenge can be unbearable to human beings.

As such there seems to be an optimal level of uncertainty, an optimum level of disruption, intellectual conflict or challenge for effective functioning of an organization. Rather than always trying to minimize conflict, the effective manager must determine the most effective level of conflict stimulation for the organization.

When to stimulate? What are those stimulations that require managers to stimulate conflict? Affirmative answers to one or the entire following question may suggest the need for conflict stimulation.

If conflict stimulation needed?

- i. Are you surrounded by 'Yes' people?
- ii. Are you subordinates afraid to admit ignorance and uncertainties to you?
- iii. Is there so much concentration by decision-makers on reaching a compromise that they may lose sight of values, long term objectives, or the organization's welfare?
- iv. Do managers believe that it is in their best interest to maintain the impression of peace and cooperation in their unit, regardless of the price?
- v. Is there an excessive concern by decision-makers for not hurting the feeling of others?
- vi. Do managers believe that popularity is more important for obtaining organizational rewards than competence and high performance?
- vii. Are managers unduly enamored of obtaining consensus for their decisions?
- viii. Is there a lack of new ideas?
- ix. Do employees show unusual high resistance to change?
- x. Is there an unusual low level of employee turnover?

S.P Robbins (1978:73)

2.6. Managing Conflict

The management of intergroup conflict is the process of channeling the level of conflict available in organizations and taking appropriate constructive actions to resolve or stimulate dysfunctional aspects of conflict for the attainment of functional level of it and achievement of all organizational goals. Effective conflict management involves eliminating or reducing conflicts which are too high and dysfunctional for the organization's performance, or stimulate conflicts to a functional level, thereby contributing positively to organizational performance.

It is possible to contribute that it is the mismanagement of conflict rather than conflict itself that cause real trouble in an organization. Therefore, helpful approach for the manager is to manage it so that an appropriate and effective means for achieving goals can be followed.

2.6.1. Strength for conflict management

Conflict management involves just reducing or eliminating high level conflict to attain a moderate amount of it. Though there are different types of strategies, Rashid and Archer (1983:322) lists three possible strategies that can be used:

1. Win- Lose strategy
2. Lose-Lose strategy
3. Win-Win strategy

With the win-lose strategy only one person wins while the other person suffers the humiliation of losing. There is always a loss of face by one of the parties involved. This method may be varying slightly according to the amount of authority used to force others into compliance.

The lose-lose method is a “compromising” technique in which every one gains a little but losses a lot- by compromising standards, qualities, and other important values. This strategy reflects the willingness to share outcomes in order to resolve the conflict through giving up something voluntarily. Both the above mentioned strategies have several common features. There is a strong reliance on personalized power in ‘win-lose’ as well as ‘lose- lose’ methods. Both stress the fight between “us” and “them” rather than “we against the common enemy.”

The win- win approach is based on the philosophy that “Every body can win and nobody loses.” This evolves realistic, goal oriented, problem solving efforts leading to decisions by consensus. Individual confront issues as they arise and, in resolving them, tend to be problem- centered rather than ego- centered. Together they attack the common problems. In the win- win strategy, each party sincerely endeavors not only to find solution but also to achieve mutual acceptance of the solutions.

2.6.2. Managing Conflict through Resolution

Based on the strategy the organization follows there are various conflict management methods that management used to manage too high conflict levels. The three conflict management methods that must frequently be used are dominance/ suppression, compromise and integration,

and problem solving.

Dominance/ suppression usually have two things in common. The first one is the repress conflict rather than settle it, by forcing underground and secondly, they create win- lose situation. Most of the time they occur in different ways such as forcing, smoothing and avoidance.

Forcing, as its name suggests, is a technique where by a resolution to conflict is “forced” up on the conflicting parties. When two parties have a disagreement and one sues the other, both parties appear in court and the judge imposes the resolution. In the same fashion, in a work environment a manager may play the role of judge and force a resolution on two co- workers who have a conflict. One or both parties may be unhappy with the decision, but the conflict is at least officially resolved or managed. Whereas smoothing is a more diplomatic way in that the manager minimizes the extent and importance of disagreement. This technique emphasizes the common interests of the conflicting groups and de- emphasizes their differences. The basic belief behind smoothing is that stressing shaded viewpoints on certain issues facilitates movements toward a common goal.

Avoidance is just pretending to be unaware that conflict exists, or refusal to deal with conflict by postponing action until more information is available. While avoidance may not bring any long-run benefits, it can be effective and appropriate strategy in some situations. When the conflict is a particularly heated one, for example, temporary avoidance gives the involved parties an opportunity to cool down and regain perspective.

Compromise, the second method of conflict management, is a traditional method for managing inters group conflicts. According to Mitchell and Larson (1987:422):

“This strategy reflects a moderate desire by a group both to attain its own preferred outcomes and to satisfy the concerns of the other groups involved in the conflict. Compromise implies that the group is willing to give up some, but not all, of what it desires in order that the other groups involved can satisfy some of their concerns.”

Managers try to manage conflict by convincing each party in the dispute to scarify some objectives in order to gain others. Thee main forms of compromise are separation, arbitration and

bribing.

Separation is a form of compromise in which opposing parties are kept apart until they agree to a solution. In the case of arbitration, the conflicting parties submit their case to an outside third party to get it resolved. In bribing, on the other hand, one party accepts some compensation in exchange for ending the conflict.

The third method, problem solving, reduces tension through face to face meetings of the conflicting groups. The conflicting groups openly debate various issues and bring together all relevant information until a decision has been reached. Effective problem solving requires that the conflicting parties display a willingness to work collaboratively toward an integrative solution that satisfies the needs of all concerned.

Problem solving is a desirable approach to conflict management but one that can be extremely difficult to implement effectively. The greatest obstacle which must be overcome is the win-lose mentality that so often characterizes conflicting groups. Unless the parties involved can rise above such kind of thinking, problem solving is not likely to be successful. The three types of integrative conflict management methods are consensus, confrontation and super ordinate goal.

Consensus is a method of problem solving in which the conflicting parties meet together to find the best solutions rather than to achieve a victory over each other. In confrontation, the opposing parties state their respective views directly to each other in order to get informations that are needed to reach at decision. Whereas the superordinate goals technique involves developing a common set of goals and objectives and these goals and objectives cannot be attained without the cooperation of the parties involved. In fact, they are unattainable by one group simply and supersede all other goals of any of the individual groups involved in the conflict.

2.6.3. Managing Conflict through Stimulation

As it is already mentioned, there are situations where conflict is dysfunctional because it is too high; however, there are also situations in which there is an insufficient amount of conflict. If groups become too complacent because everything always operates smoothly, management

may benefit from stimulating conflict. Lack of any disagreement can lead to sub- optimum performance, including inferior decision- making.

What management does to encourage conflict for constructive purposes? This section examines three techniques that have been used successfully to stimulate conflict to a functional level: communication, bringing outside individual in to the group, stimulating competition (Ivancevich, 1990:321).

By intelligent use of organization's communication channels a manager can stimulate beneficial conflict. Information can be placed carefully in to formal channels to create ambiguity, re- evaluation, or confrontation. Information that is threatening (e.g. a proposed budget cut) can stimulate functional conflict in a department and improve performance. Carefully planned rumors also can serve a useful purpose.

A technique widely used to "bring back to life" a stagnant organization or subunit of an organization is to hire or transfer individuals whose attitudes, values and background differ from those of the group's present members. This is to ensure a diversity of viewpoints on the organization.

The third technique, stimulating competition among groups involves the use of a variety of incentives, such as awards and bonuses for outstanding performance. If properly utilized, such incentives can help maintain a healthy atmosphere of competition that may results in a functional level of conflict.

Lastly, a conclusion can be made that conflict can not be eliminated entirely in organization. Hence, it should be attempted to live with conflict by managing it, thereby exploiting it for the beneficial work of the organization. To do so, one has to develop the skills in analyzing conflicts, getting sources, give the remedial treatment and turn their disruptive wheel to building ones for the better of the organization.

CHAPTER THREE

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter tries to focus on conflict and conflict management practices in Commercial Bank of Ethiopia. It consists the conflict and conflict management practice in CBE as stipulated from the collective agreement, and interviews' results.

This part largely reflects on data gathered through questionnaire and interviews. The respondents managers and employees were subjects of the study. The questionnaires were distributed to randomly selected employees at the head office of CBE. A total one hundred eighty (180) questionnaires were distributed to 180 employees. Among these groups of respondents, 168 respondents completed and returned the questionnaires. And twelve (12) responses could not be gathered by various reasons. So the analysis and interpretation of this section is based on the number of questionnaires correctly filled and returned.

The next part largely reflects on presentation, analysis of data gathered through questionnaires.

3.1. General Characteristics of Respondents

Table 1: Background of Respondents

<i>N^o</i>	<i>Item</i>	<i>Respondents</i>	
		<i>N^o</i>	<i>%</i>
1	Sex		
	a) Female	77	45.8
	b) Male	91	54.2
	<i>Total</i>	168	100
2	Age		
	a) 18-29	67	39.9
	b) 30-39	64	38.1
	c) 40-49	28	16.7
	d) 50 and above	9	5.4
<i>Total</i>	168	100	
3	Level of Education		
	a) Certificate	1	.6
	b) Diploma	11	6.5
	c) Degree	147	87.5
	d) MA Degree and above	9	5.4
<i>Total</i>	168	100	
4	Year of Service		
	a) 1-3 years	45	26.8
	b) 4-6 years	36	21.4
	c) 7-9 years	14	8.3
	d) 10 years and above	73	43.5
<i>Total</i>	168	100	

According to the above table item one out of 168 employee respondents 54.2% are males. This implies the percentage of female employees is 45.8%. This item generally indicates that large proportions of the employees in the corporation are males.

The second item also reveals that 39.9 % of employees are between the age 18 -29. On the other hand 38.1% of the employees are between the age of 30-39. And the rest 16.7% and 5.4% are 40-49 and 50 and above respectively. Based on this information, it is likely possible to conclude that majority of employees are within the age that may work more and produce more.

The assessment of their educational background portrays that the majority of employee respondents 87.5% are degree holders. Besides it is also indicated that 5.4% are MA Degree and above holders. On the other hand even 6.5% of the employees are diploma holders and .6% of the employees are certificate holders. Based on this fact it's undutiful to conclude that majority percent of the employees are well educated. This is really satisfactory.

Finally, item 4 indicates the year of service of the employees. Accordingly, 43.5% employees have served CBE for 10 years and above. 26.8% gave their service for 1-3 years, 21.4% served for 4-6 years and 8.3% for 7-9 years. This indicates that most employees have served CBE for 10 years and above. This also indicates that the majority of respondents know each other for a long period of time. This helps for one part knowing the others' part of strength and weakness. And also they are well experienced about the past events in the organization.

3.2. Analysis of the Findings of the Study

Table 2: Profile of relationship among the organization and the existence of conflict

<i>N^o</i>	<i>Item</i>	<i>Respondents</i>	
		<i>N^o</i>	<i>%</i>
1	Conflict with the organizations' community occurs		
	a) Always	6	3.6
	b) Sometimes	127	75.6
	c) Most of the time	4	2.4
	d) Doesn't occur	9	5.4
	e) I don't know	22	13.1
	<i>Total</i>	168	100
2	Most of the time conflict arises		
	a) Between management & employees	90	53.6
	b) Among employees	31	18.5
	c) Among different department	3	1.8
	d) Among the management	26	15.5
	e) No response	18	10.7
	<i>Total</i>	168	100
3	Degree of coherency with in the organization's community		
	a) very high	38	22.6
	b) High	60	35.7
	c) Medium	64	38.1
	d) Low	5	3.0
	e) Very low	1	.6

	Total	168	100
4	Degree of relationship among employees		
	a) Very high	26	15.5
	b) High	73	43.5
	c) Medium	64	38.1
	d) Low	4	2.4
	e) Very low	1	.6
	Total	168	100
5	extent of healthy relationship between management & employees		
	a) very high	17	10.1
	b) High	39	23.2
	c) Medium	80	47.6
	d) Low	26	15.5
	e) Very low	6	3.6
	Total	168	100

Item one of the above tables indicates that 75.6% of all respondents assure that conflict occurs sometimes, 3.6% and 2.4% of them thinks that conflict with in the organizations community occurs always and most of the time respectively, 5.4% of the respondent believes that conflict doesn't occur and the rest 13.1% have no idea whether conflict occurs or not with in CBE's community. This implies except 18.5% respondents assure the existence of conflict even if there answer is differ for its degree of existence.

Item two of table two indicates the focus area of conflict that arises with in CBE. Out of the total number of respondents, 53.6% of employees assure conflict arises between management and employees. 18.5% of employees respond that conflict arises among employees. It is really bad situation that disturb the healthy environment of the organization. The percentage of respondents who thinks that conflict arises among managers is 15.5%. The choice of conflict arises among

different departments is selected by 1.8% of the employee respondents. 10.1% of the respondent employees have no response. And finally, 0.6% chooses the other option and suggested that it can happen between all. The above data may indicate that it is not possible to say that there is no healthy relationship between management and employees in CBE.

Item three's data state degree of coherency with in the organizations community. The responses of employees are highly weight to medium 38.1%. The rest shows the degree of coherency with in the organizations community as 35.7%, 22.6%, 3.0% and 2.6% are rated as high, very high, low and very low respectively. The above data entails more than 50% of the respondents indicated that the degree of coherence of conflict in the organization is high.

Item four shows the degree of relationship among employees, 43.5% and 15.5% of employee respondents assure high and very high degree of relationship respectively. 38.1%, 2.4% and 0.6% rated it as medium, low and very low correspondingly. This fact shows that it is agreed to understand that relationship among employees is high.

The last item shows the extent of healthy relationship between management and employees. 47.6% and 23.2% is rated as medium and high respectively. In addition to this, 15.5%, 10.1% and 3.6% of the respondent employees assures the level of healthy relationship between management and employees low, very high, very low respectively. It is possible to understand that there is a medium level of healthy relationship between management and employees.

Table 3: Respondents' points of view towards conflict

<i>N_o</i>	<i>Items</i>	<i>Respondents</i>	
		<i>N_o</i>	<i>%</i>
1	Do you think that solving conflict is a very difficult thing to do in CBE? a) Yes b) No c) I don't know	13 153 2	7.7 91.1 1.2
	<i>Total</i>	168	100

The above table item one indicates that 91.1% of employee respondents assure that solving conflict is a very simple thing to do; 7.7% of the employee respondents respond that it is very difficult to resolve conflict and 1.2% of them state that they have no idea whether conflict could be solved or not in CBE. Therefore, this entails that most of the employee respondents think that conflict could easily be solved in the organization.

Table 4: Interdependence as conflict generating factors

<i>N_o</i>	<i>Item</i>	<i>Respondents</i>	
		<i>N_o</i>	<i>%</i>
1	The degree of conflict generated when delays are caused or sloppy work or done by first sequential group		
	a) Very high	16	9.5
	b) High	21	12.5
	c) Medium	64	38.1
	d) Low	51	30.4
	e) Very low	16	9.5
	<i>Total</i>	168	100
2	The extent of conflict caused when poor performance or malfunctioning of one department hinders the over all operation of the organization		
	a) Very high	47	28.0
	b) High	66	39.3
	c) Medium	43	25.6
	d) Low	10	6.0
	e) Very low	2	1.2
	<i>Total</i>	168	100

The above table item one indicates that 38.1% of employees are affirmed that the degree of conflict caused when performance of one department possible bonus and rewards for all other branch employees are medium. In contrast of this, 30.4% and 12.5% of employees are rated as low and high accordingly. The rest 19% of the respondent equally rated as very high and very low. This entails that the degree of conflict caused as a result of the above factor is more or less medium.

According to item two 39.9% of the respondents indicates low level of degree of conflict generated when delays are caused or sloppy work or done by first sequential group. On the contrary high portion of them (22.0%) argues that it is rated high and 38.1% were rated as medium. Therefore, it can well be said at degree of conflict generated from the above reasons are satisfactory.

The Last item talks about the extent of conflict caused when poor performance or malfunctioning of one department hinders the over all operation of the organization. 39.3% and 28.0% of the respondents think that it affects the working environment and rated it as high and very high respectively. And 25.6% of them rated it as medium. 6.0% and 1.2% of the respondent replied it as low and very low respectively. This means that most of the respondents imagine that poor performance or malfunctioning of one department hold back the over all working atmosphere in CBE.

Table 5: Informal groups as a source of conflict

<i>N_o</i>	<i>Items</i>	<i>Respondents</i>	
		<i>N_o</i>	<i>%</i>
1	The degree of conflict generated by transmission of unverified and untrue information		
	a) Very high	36	21.4
	b) High	30	17.9
	c) Medium	47	28.0
	d) Low	33	19.6
	e) Very low	22	13.1
	<i>Total</i>	168	100

According to the above table it is undutiful to conclude by anyone that conflict arise between informal groups because of unverified and untrue information is medium(28%). 21.4% and

17.9% are rated to be very high and high for the above issue correspondingly. The rest 19.6% and 13.1% are rated as low and very low relatively. This implies conflict arises because of unverified and false information is high.

Table 6: Conflict as a result of role conflict

<i>N_o</i>	<i>Items</i>	<i>Respondents</i>	
		<i>N_o</i>	<i>%</i>
1	The extent of conflict caused when what is expected of the employee differs from what the employee does a) Very high b) High c) Medium d) Low e) Very low	15 41 52 49 11	8.9 24.4 31.0 29.2 6.5
	<i>Total</i>	168	100
2	The extent of conflict that may arise when individuals are assigned with multiple roles which are not compatible and impossible to perform both at a time? a) Very high b) High c) Medium d) Low e) Very low	28 42 50 37 11	16.7 25.0 29.8 22.0 6.5
	<i>Total</i>	168	100

Sometimes there may be a variation between the employees undertaking and what is assigned to that position they hold. As it is shown by item one, the existence of this variation generates

medium degree of conflict. This suggestion was accepted by 31% of the employee respondents. While 24.4% and 8.9% agreed and rated as high and very high respectively. The rest 35.7% of respondents argued that the variation has a low impact on the existence of conflict. This item implies that there is less variation between the expected roles and enacted roles.

Furthermore, item two, also shows the degree of conflict caused by multiple roles assigned to an employee. When individuals are assigned with multiple roles, which are not compatible and impossible to perform them at a time the individual will come to conflict with the party whose instructions and commands are not executed. About 41.7% of respondents respond that it is highly conflict generating factor. While, 28.5% relatively implies that sometimes employees are assigned with various activities to be done at a time therefore; they come into conflict with their subordinates as a result of their inability to perform them simultaneously.

Table 7: Departmentalization as a source of conflict

<i>N₂</i>	<i>Items</i>	<i>Respondents</i>	
		<i>N₂</i>	<i>%</i>
1	The extent of conflict caused as a result of limited resources which are insufficient to supply all the demands		
	a) Very high	23	13.7
	b) High	41	24.4
	c) Medium	53	31.5
	d) Low	38	22.6
	e) Very low	13	7.7
	<i>Total</i>	168	100

Organizations always contain different subunits, which have their own dissimilar goals. In the same fashion, CBE also has its own various units that are divided departmentalized based on various variables these divisions need resources to accomplish their task and achieve their

specific goals. But resources are limited and are impossible to supply with all demands. Hence, this condition may initiate the occurrence of conflict among divisions as well as approved by management and unsatisfied department. This research was approved by 31.5% of the respondent employees that it's medium. According to the other respondents 24.4% and 13.7% implied it is high and very high respectively. Therefore, it can well be said that most of the conflicts are caused as a result of limited resources which are insufficient to supply all the demands.

Table 8: Specialization as conflict generating factor

<i>N_o</i>	<i>Items</i>	<i>Respondent</i>	
		<i>N_o</i>	<i>%</i>
1	The extent of conflict that may arise when line managers do not give sufficient authority to staff members and do not make proper use of staff specialists		
	a) Very high	23	13.7
	b) High	55	32.7
	c) Medium	28	16.7
	d) Low	47	28.0
	e) Very low	15	8.9
	<i>Total</i>	168	100

2	The extent of conflict generated by dependency of line managers on the specialists' technical knowledge and the resulting gap between knowledge and authority		
	a) Very high	23	13.7
	b) High	45	26.8
	c) Medium	44	26.2
	d) Low	39	23.2
	e) Very low	17	10.1
	Total	168	100
3	The intensity of conflict generated by the existence of major differences between line managers and specialists with respect to age, education, dress and attitude		
	a) Very high	13	7.7
	b) High	58	34.5
	c) Medium	52	31.0
	d) Low	30	17.9
	e) Very low	15	8.9
	Total	168	100

In organizational setting, there are line and staff functions. Staff specialists are assigned to provide advisory services for line personnel on the accomplishment of their functions, there are various factors that determine the healthy relationship between these parties. These determinant factors are perceived reduction of line authority, social and physical difference and line dependence on staff knowledge.

Table eight is intended to show the degree of conflict generated from indication three factors which are related to specialization. In connection to this, as item one of the table shows 46.4% of

respondents argued that it contributes high for the occurrence of conflict. 36.9% replied that perceived diminution of line authority has a moderate impact on the occurrence of conflict while the rest 16.7% fall out that it's medium stage. It possible to conclude that there is a high extent of conflict that may arise when line managers do not give sufficient authority to staff members and do not make proper use of staff specialists.

As far as dependency of line staff knowledge is concerned, there is only some degree of conflict resulted from it. 40.5% of the respondents confirmed the above statement while others 26.2%, 23.2% and 13.7% rated as medium, low and very high respectively. This may be as a result of; more than half of the employees have a wide gap between knowledge and authority.

Item three of the table under discussion also demonstrates the weight of conflict generated as a result of differences in age, education, dress and attitude aspects between line managers and staff specialists. As the item reveals 34.5% of employee respondents responded that differences in this aspects create a high degree of conflict. And only 31% and 7.7% of them said that a medium and very high degree of conflict is created as a result of it. The rest 17.9% and 8.9% of respondents persist to say that this variation has a low and very low impact on the occurrence of conflict respectively.

Generally, it is possible to conclude that the degree of conflict caused by difference in age, dress, and attitude is a minimum degree of conflict. This implies that there is a more age, educational, dress and attitudinal difference between line management and staff specialists in CBE.

Table 9: Personal characteristics of key employees as a source of conflict

<i>N^o</i>	<i>Items</i>	<i>Respondents</i>	
		<i>N^o</i>	<i>%</i>
1	The degree of conflict caused when supervisors are not willing to accept the ideas and suggestions of the ordinary workers		
	a) Very high	5	3.0
	b) High	32	19.0
	c) Medium	84	50.0
	d) Low	29	17.3
	e) Very low	18	10.7
	<i>Total</i>	168	100
2	The degree of conflict generated by managers with a higher need for power and dominance and, consequently, perusing their interest aggressively.		
	a) Very high	19	11.3
	b) High	26	15.5
	c) Medium	49	29.2
	d) Low	52	31.0
	e) Very low	22	13.1
	<i>Total</i>	168	100

3	The extent of conflict created when managers are unable to articulate position and their ideas clearly to others		
	a) Very high	20	11.9
	b) High	31	18.5
	c) Medium	63	37.5
	d) Low	39	23.2
	e) Very low	15	8.9
	Total	168	100

This concern for personal traits of key employees emanates from the premise that “personal traits of key employee also are important in providing conflict.” In view of this, the characteristics managers exhibit in organizational setting is one of the determinants of the existence of interpersonal conflict. Managers’ traits such as the degree of willingness to accept ideas of others, higher need for power and dominance, and communication skills are some of major features of key employees that enhance the occurrence of conflict.

As shown in the above table, therefore, item one up to three were intended to measure the degree of conflict caused by these factors. Item one of the table showed that half of employee respondents (50%) they said, “Supervisors unwillingness to accept ideas and suggestions of ordinary workers creates medium degree of conflict.” The others (19% and 3% of the employee respondents) suggested that it is rated as high and very high. While the rest (28%) responded that unwillingness to listen to others has a weak impact on conflict. Therefore, it can be said that employees in a managerial position for the ability to create a favorable environment that motivates employees to participate is satisfactory.

Item two of the same table also indicates that supervisors need for power and dominance has a little impact on conflict. Among the employee respondents, 44.1% of them said that “the degree of conflict caused by managers with a higher need for power and dominance and perusing their interest aggressively is low”. On the other hand 26.8% of them argued that it has a high impact

on conflict. Here, it is possible to assume that key personnel have no need for dominance and as a result they did not have a tendency of perusing their own or their units' interest aggressively.

Among employee respondents, 37.5%, 23.2%, and 18.5% of them rated the degree of conflict caused by inability of managers to expressive their ideas as medium, low and high respectively. Again it indicates that key employees have some problem of expressing their own ideas and articulating position to others, and therefore, some degree of conflict may arise between employees and supervisors as a result of misunderstanding and ambiguity of what is to be done.

Therefore, the above table shows that even if managers have no higher need for power and dominance, they are averagely willing to accept and participate employees and have some problem of communicating and expressing ideas clearly to others.

Table 10: Impact of conflict on organizational performance and productivity

<i>N^o</i>	<i>Items</i>	<i>Respondents</i>	
		<i>N^o</i>	<i>%</i>
1	Conflict hinders cooperation of activities.		
	a) Always	29	17.3
	b) Sometimes	112	66.7
	c) Often	9	5.4
	d) Doesn't hinder	6	3.6
	e) I don't know	12	7.1
	<i>Total</i>	168	100
2	Conflict generally contributes to productivity of the organization		
	a) Always	10	6.0
	b) Sometimes	98	58.3
	c) Often	19	11.3
	d) Doesn't hinder	11	6.5
	e) I don't know	30	17.9
	<i>Total</i>	168	100
3	Conflict can help to highlight important problems and facilitates improved performance		
	a) Always	19	11.3
	b) Sometimes	91	54.2
	c) Often	19	11.3
	d) Doesn't hinder	19	11.3
	e) I don't know	20	11.9

	Total	168	100
4	Conflict increases cohesiveness among groups and help to maintain good relationship among themselves		
	a) Always	10	6.0
	b) Sometimes	69	41.1
	c) Often	10	6.0
	d) Doesn't hinder	31	18.5
	e) I don't know	48	28.6
	Total	168	100

The above table addresses the impact of conflict on organizational performance and productivity. In connection to this, as item one shows, 66.7% of the employee responded that conflict could sometimes hinder cooperation and coordination of activities in the organization. On the contrary, 17.3% of employees replied that conflict could always affect the organization's activity cooperation negatively. 5.4%, 3.6%, and 7.1% implied that conflict hinders cooperation of activities often, doesn't hinder and I don't know respectively.

According to item two under discussion, 58.3% of the employee respondents accepted that conflict could occur sometimes contributed to productivity. While 6%, 11/3%, 6.5% and 17% respondents replied always, often and doesn't hinder and I don't know respectively.

In the same table item three, the majority 54.2% of the employee respondents responded that conflict could sometimes help to highlight important problems and facilitates improved performance of the bank. While the chooses always, often and doesn't hinder resulted the same 11.3%. While 11.9% of employees said they don't know.

Further more, 41.1% of the employee respondents as mentioned in item three accepted that conflict sometimes could help to increase cohesiveness among groups and help to maintain good

relationship among themselves while the majority of employee respondents denied totally the contribution of conflict for the cohesiveness and strength among groups and/ individuals.

As information contained in table ten reveals, most employee respondents replied to the variable:” sometimes” to item one to four. By sometime it is equal to saying sometimes ‘yes’ and sometimes ‘no’. This illustrates that any of the items can never be always true or false. It also portrays that conflict of one type can be beneficial at one time and harmful at other time. It further implies that employees or managers may encourage it to exist when they consider it advantageous and try to avoid it when they perceive it as negative. On the other hand, as indicated in the table under discussion, the majority of employee did not to conflict positively. They replied that conflict always created an obstacle that undermines human relations and works. It seems due to this problem that employees often prefer to avoid it.

Generally, too heavy dwell on conflict management is necessary because, when there is no conflict, organizations remain dormant, innovation and change are less likely to take place and therefore performance can suffer. At the sometime, when there is a highly aggravated clashes, fights and disagreements among people, the whole activity of the organization could be disturbed and that may deteriorate the relationship among people as well as the activities of the organization. Therefore, one can probably conclude that conflict sometimes may raise coordination of activities, helps to high light weakness and facilities improved performance. On the other hand, it may adversely affect organizational activities at dysfunctional level.

Table 11: Suggestion forwarded for conflict resolution

<i>N_o</i>	<i>Items</i>	<i>Respondents</i>	
		<i>N_o</i>	<i>%</i>
1	The managers play the role of judge or force a resolution on two conflicting parties (<i>forcing</i>)		
	a) Strongly agree	42	25.0
	b) Agree	53	31.5
	c) Neutral	24	14.3
	d) Disagree	14	8.3
	e) Strongly disagree	14	8.3
	f) I don't know	21	12.5
	<i>Total</i>	168	100
2	The managers emphasize on the common interests of the conflicting parties to facilitate movement towards a common goal (<i>Smoothing</i>)		
	a) Strongly agree	27	16.1
	b) Agree	82	48.8
	c) Neutral	14	8.3
	d) Disagree	20	11.9
	e) Strongly disagree	22	13.1
	f) I don't know	3	1.8
	<i>Total</i>	168	100

3	Refusal to deal with conflict until more information is available and gives the involved parties an opportunity to cool down (<i>Avoidance</i>)		
	a) Strongly agree	31	18.5
	b) Agree	76	45.2
	c) Neutral	11	6.5
	d) Disagree	13	7.7
	e) Strongly disagree	25	14.9
	f) I don't know	12	7.1
	Total	168	100
4	Keep apart conflicting groups until they agree (<i>Separation</i>)		
	a) Strongly agree	31	18.5
	b) Agree	77	45.8
	c) Neutral	8	4.8
	d) Disagree	9	5.4
	e) Strongly disagree	21	12.5
	f) I don't know	21	12.5
	Total	168	100
5	Submit the case of opposing parties to an outside third party (<i>Arbitration</i>)		
	a) Strongly agree	8	4.8
	b) Agree	44	26.2
	c) Neutral	37	22.0
	d) Disagree	26	15.5
	e) Strongly disagree	16	6.5
	f) I don't know	37	22.0
	Total	168	100

6	Giving compensation in exchange for ending the conflict (<i>bribing</i>)		
	a) strongly agree	4	2.4
	b) agree	8	4.8
	c) neutral	7	4.2
	d) disagree	64	38.1
	e) strongly disagree	64	38.1
	f) I don't know	21	12.5
	Total	168	100
7	The conflicting parties meet together to find the best solutions rather than to achieve a victory over each other (<i>Consensus</i>)		
	a) Strongly agree	75	44.6
	a) Agree	68	40.5
	b) Neutral	6	3.6
	c) Disagree	7	4.2
	d) Strongly disagree	3	1.8
	e) I don't know	9	5.4
	Total	168	100

The goal of effective management is not to eliminate conflict totally. Rather, it is to create the right intensity of conflict so as to reap its functional benefits. (Robbins, 1989:389)

Too high conflict level is an obstacle for organizational undertakings. Thus, various resolution methods should be conducted to manage too high conflict levels so as to attain a moderate amount of it and intern it contributes for the achievement of organizational objectives. Among various methods to reduce or eliminate aggravated clashes and disagreements, organizations choose based on the strategy they follow. As illustrated in table eleven, employees forwarded their suggestions about the acceptability of each method according to their own believe.

The first item in the same table shows that more than half (56.5%) of the employee respondents in CBE agree while the rest 16.3% disagree on forcing as a conflict resolution method. On the other hand, almost all employee respondents agree and strongly agree on the effectiveness of forcing to resolve harsh disagreement.

As shown by item two, most employee respondents (48.8% and 16.1%) suggested that smoothing could be the best method to reduce or eliminate high level disagreements. This information indicates that the majority of employee respondent agreed that resolution would be effective if the manager emphasizes on the common interests of the conflicting parties to facilitate movement towards a common goal (smoothing).

According to the responses for item three of the table, 45.2% of the employee respondents refused to agree on avoidance. As this information portrayed employees accept that conflict or disagreement must not be given time and immediate action should be taken to resolve it.

Besides, relatively major parts of employee respondents moderately agree on separation (64.3%). The other, 12.5% and 5.4% employees replied that keeping conflicting parties apart from each other until they agree, brings no resolution. The rest 4.8% and 12.5 indicated neutral and I don't know variables.

As for item five portrays that the arbitration is the most accepted method of conflict resolution. This is confirmed by 26.2%. This implies that employees are interested in submitting the case of opposing parties to an outside third party rather than resolving it (conflict) with in the organization.

From item six, 38.1% repetitively was replied by the respondent of employees by strongly disagree and disagree. And 2.4% and 4.8% of employee respondents strongly agrees and agrees respectively. Hence, according to the majorities' response, bribing is not considered as a good conflict resolution methods, which is, giving compensation motivates conflicting parties to end up their disagreement with out any participant of third party.

Finally, the last item in the table demonstrates that consensus is the most important an accepted method to avoid high level conflicts. According to the majorities (44.6%) response, the conflicting parties must meet and discuss together to find the best solution rather than to achieve a victory over each other.

By and large, this table indicates that majority of the total respondents agrees that smoothing, separation, avoidance and consensus are more effective and desirable techniques than forcing, arbitration and bribing. By this condition, it seems no possible to determine exactly what strategy the organization follows. Because as the information indicates, the respondents select the most likely conflict resolution methods with out sticking to only one strategy. But it is possible to see that the corporation tries to follow the win-win strategies that both parties involved in conflict can win and no body losses. In the strategy, each party sincerely tries not only to find solutions but also to achieve mutual acceptance of the solution.

Table 12: Profile of functional conflict in Commercial Bank of Ethiopia

<i>N_o</i>	<i>Items</i>	<i>Respondents</i>	
		<i>N_o</i>	<i>%</i>
1	Have the management ever used conflict or disagreement as an advantage?		
	a) Yes	31	18.5
	b) no	44	26.2
	c) no response	93	55.4
	<i>Total</i>	168	100

The above table portrays the extent to which management of the organization is benefited from moderate level of disagreement. Accordingly, the majorities of administrative respondents (18.5%) suggested that the organization’s management realized the advantage of functional level of conflict and have reamed the benefit from it. And 26.8% answered "no". And finally 55.4% has no response.

Further more, if the organization is devoid of conflict, change that is the basis of growth may not happen. Development and growth can be enhanced through divergent views and disagreement. This is one of the reasons that initiated that organization to engage in a new strategy development and starts everything from the scratch.

Interview analysis and information from secondary data (documents) of CBE

According to the documents and the interview conducted from managers, conflict arise in CBE because of the benefits and salary not being fairly paid, employees not obeying the collective agreement or procedures of the bank. Also there are conflicts occurring between different levels of managements. Specially, between middle level managers with top level managers. Between the managers the main cause is as different managers have different types of personality to solve conflict.

There are different ways or methods and techniques use to solve conflict between the management and employees. They are consensus that is a method of problem solving in which the conflicting parties meet together to find the best solutions rather than to achieve a victory over each other. Collective agreement is which the labour union and the CBE's management prepared a procedure to work for the employee of the bank. It is updated every three year. And amendments the collective agreement can be amended. But before ninety days before it must be reported to the labour union and the CBE management committee. And the last one is separation that is a form of compromise in which opposing parties are kept apart until they agree to a solution.

According to labour management agreement (collective agreement), management of the organization takes various actions and measures to prevent and avoid the conflict generating factors. The degree of intensity of measures taken various, depending on the repetitiveness of the occurrence of the action.

When ever conflict arises, conflict resolutions committee would be established. Some of the committee includes:

- ❖ Representative of the Human Resource Management
- ❖ Representative of general manager
- ❖ Representative of chair man
- ❖ Representative of the labour union

The organization has obtained positive implications out of conflict by:

- ❖ Motivating the employees by giving rewards.
- ❖ Uniting the employees by forming annual reunions.
- ❖ It has helped to have a hard working employee
- ❖ Helping for innovating new working ideas
- ❖ Increased the profitability of CBE.

CHAPTER FOUR

SUMMARY, CONCLUSION AND RECOMMENDATION

4.1. Summary

The study mainly focused on the assessment of conflict and conflict management practice of Commercial Bank of Ethiopia (CBE) with particular reference to head office. Specially, the factors that brings conflict, views of the employees towards conflict and how conflict between the employees and management resolved. The focal groups of the study are diploma and degree holders in CBE head office. Descriptive research method was used in the sampling technique. For successive analysis, the review of related literatures was organized from various books, journals and internet. To collect the relevant data for the research questions of the study, the researcher distributed questionnaires to employees and interviewed the senior managers. The responses given by the respondents have been analyzed and interpreted. And therefore the study came up with the following findings:

- ❖ The study seems to show that conflicts in the organization can be solved. And the major cause for conflicts is no promotion.
- ❖ As the study indicated sometimes conflicts occur within CBE's community. Even though, there is a healthy relationship between the management and the employees most of the time conflict's arising within the organizations are between the management and the employees. But the relationship between employees is healthy.
- ❖ Most of the respondents consider that poor performance or malfunctioning of one department hold back the overall working atmosphere in CBE while there is conflict.
- ❖ The research verified that the conflict arising when line managers do not give sufficient authority to staff members, dependency of line managers on the specialists' technical knowledge and the resulting gap between knowledge and authority are high. The study also showed that there is a much age, educational, dress and attitudinal difference between line management and staff specialists.

- ❖ The study confirmed that the key employees have problems of expressing their own ideas and articulating position to other. They have no need for domination. Similarly, lack of the ability to create a favorable environment that motivates employees to participate.
- ❖ The study seems to show that employees mostly responded to the negative side of the conflict. Because of the obstacles that undermines human relations and works.
- ❖ The research demonstrated that the management doesn't use conflict or disagreement as an advantage in CBE.

4.2. Conclusion

Based on what has been discussed in the data analysis part the following Conclusion can be drawn.

❖ Occurrence of conflict

Almost all respondents assure the occurrence of conflict on sometimes base. It is really unsurprising because the occurrence of conflict in the organization is to be expected even if its type and degree of occurrence is different.

❖ Relationship within the organization

As the study indicates except the relationship between the employees, the relationship among managements and employees are totally unattractive. This situation may lead to lack of harmony with in the organization and may create lack of sympathy environment.

❖ Conflict is inevitable in CBE as it is the case in other organization. And conflict between management and employees is more practical than other type of conflict. Managers did not create an attractive environment for employees that enable them to participate and express their ideas freely and this condition leads employees to develop undesirable behaviors against their supervisors.

❖ Various departments in CBE are interrelated to each other and the delay, multifunction of one group hampers the activities of other departments and the overall performance of the corporation. Therefore it is conducive condition for conflict.

❖ According to the study, at times, conflict is important to facilitate the corporation's undertaking and helps to maintain good human relations as far as it is managed.

4.3. Recommendation

Based on what has been discussed in the data analysis part the following recommendation are drawn.

- ❖ Management unit and conflict resolution committee try to build good relationship with in the enterprise through different idea sharing meetings, parties, sports (game) in addition to formal conflict resolution methods.
- ❖ The collective agreement and the conflict resolution committee must be established based on the full willing and participation of all employees in the organization. If it is done, the employees' confidence will increase and they will provide their help to the committee instead to guide personal clash and waste their working hours by backbit.
- ❖ To reduce the impact of conflict the organization should give attention to the main source of conflict:
 - ✓ By building good communication.
 - ✓ To reduce or eliminate managers aggressiveness by clearly specify and bound managers responsibility and authority.
 - ✓ Give incentive (reward) and punish employees based on their performance.
- ❖ Managers try to divert the attitude of most employees about conflict by providing some important feature of conflict and bringing out side consultants to the organizations.
- ❖ The organizations management and individuals should keep themselves alert as much as possible neither to be suffered from high level disagreements nor to lose the importance of moderate amount of it.

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