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

ORGANIZATION CONFLICT MANAGEMENT PRACTICE CHALLENGES AND PROSPECT (IN THE CASE OF WEGAGEN BANK GOFA BRANCH)

BY BEZA TIRUNEH

JULY 2010

S.M.U.C

ADDIS ABABA

ACKNOWLEDGMENTS

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CHAPTER ONE

INTRODUCTION

1. 1 Background of the Study

As a group performs its assigned tasks, disagreements invitably arise. When we use the term conflict we are referring to perceived incompatible differences resulting in some form of interference or opposition. Whether the differences are real or not is irrelevant. If people in a group perceive that differences exist, then there is conflict.(Robbins,p381)

Conflict between two or more individuals is almost certain to occur in any organization, given the greater variety in perceptions, goals, attitudes and so forth among its members.

Frequent source of interpersonal conflict in organization is what many people call a personality clash. When two people distrust each other's motives, dislike one another, or for some other reason simply can-not get along. Conflict also may arise between people who have different belief or perceptions about some aspect of their work or their organization. (Graff , 2000, p 353)

A clash of interests, values, actions or directions often sparks a conflict. Conflicts refer to the existence of that clash. Psychologically, a conflict exists when the reduction of one motivating stimulus involves an increase in another, so that a new adjustment is demanded. The word is applicable from the instant that the clash occurs. Even when we say that there is a potential conflict we are implying that there is already a conflict

1.2 Back Ground of the Organization

Wegagen bank is private bank established as a share company and started operation on June 11, 1997. The Bank operates through the head office located in Addis Ababa inside Denbel city center on Africa Avenue (Bole Rode) .Redesign has been necessitated for a 20 story bulging for its future headquarter in the city`s heart, (stadium area)and tender for constriction shall float soon.

Currently the bank has a net work of 49 branches, out of which 24 are in Addis Ababa and the remaining 25 are spread across the major towns in the country .The bank has also a forex office inside Bole international Airport terminal.

Total deposit of the bank reached 3.7billion as of June 30, 2009 currently, the amount of loans channeled in to the economy kept on growing and reached Birr 2.75 billion. A net profit before tax of Birr 256.1 million was registered in fiscal year 2008/09 (according to audited financial report).

 Management: The Bank is supervised by the Board of Directors, which consists

of a Chairman, a   Vice Chairman and seven other members. The Management is entrusted to the President/CEO. The president/CEO oversees two Vice Presidents, the Controller, Legal Department, and Risk Management Department and IS Department. There are Seven Department Managers who also report to the two   Vice Presidents.

The Bank's staff reached 1,714 as at June 30, 2009.The number of customers that maintain their account with the Bank grew to over 190,000

Vision:

> "Becoming the most preferred Bank in Ethiopia"

Mission:

> "To provide wide range of quality banking Services through dynamic work force and unto date Information Technology Solutions to satisfy the desire of shareholders."

Principles and Values:

Wegagen Bank is committed to the following core business principles though which loyal and committed staff members make lasting customer relationships with Wegagen Bank is committed to the following core business principles though which loyal and committed staff members make lasting customer relationships with

Outstanding customer service, Business Integrity, Honesty and loyalty ,Effective, efficient and expanding operations ,strong capital and liquidity position , Prudent lending ,Reasonable cost control discipline ,Fair and objective employment practices , Commitment to comply with the spirit and letter of the law ,Playing a responsible role in aligning objectives with those of local communities.

1.3   Statement of the Problem

As any organization, wegagen bank also has a group of individuals who have different interests, goals and unique characteristics shaped by cultural social and biological backgrounds under the same goal and objective of the organization .performance and productivity of the organization may be affected due to conflict resulted from differences among the group. Thus, this research paper assumes that conflict between individuals and groups tend to result a positive and

negative effect on wegagen bank achievement of goals. The study tries to address the following questions:

1.4 Research Questions

1) What are the main types of conflict that may exist between individuals and or groups in wogagen bank S.Co?

2) What are the factors that bring about conflicts between individuals and groups in wogagen bank S.Co?

3) Do both functional and dysfunctional conflicts exist in wogagen bank S.Co?

4) To what extent conflicts that exist in wogagen bank Influence the performance of the company?

5) Are there any opportunities in which wogagen take advantage of functional conflict and tried to resolve dysfunctional conflicts?

6) What measures should be taken when conflict arises?

7) What are the challenges and prospects of Organizational Conflict Management in wogagen bank?

8) What will be the attitude towards conflict in the eyes of management and employees in wogagen bank?

1.5 Objective of the Study

General Objective

The main objective of this study is to examine and give a clear understanding of conflict and factors that initiate conflict and also to give insight to the concerned ones about conflict management technique.

The Specific objective

- ➢ To examine the effect of conflict on group, individual and organizational performance.
- ➢ To review the role of management in resolving or stimulating conflict that exists in the company.
- ➢ To study to what extent conflict managed.
- ➢ Identify techniques that are used to resolve or stimulate conflict.
- ➢ To examine the significance of conflict to management, employees and the organization in general.

1.6 Significance of the Study

The study has the following importance

The study may provide information on understanding of the degree of conflict and type of conflict that usually occurs. And the findings of the study identifies and highlight best practices and suggest best conflict management technique wegagen bank could use. In addition to get knowledge about conflict and how to manage it and sharing experience from the expertise. More over to provide additional information to the existing literature on conflict. It also draws attention of other similar business organization how to manage conflict.

1.7 Scope/Delimitation of the Study

At all level of any organization it is certain conflict to occur but it is difficult to conduct the study by including 1,714 employees. Thus, this research paper tries to incorporate conflict and conflict management in one of its branch which is Gofa branch which has 58 employees.

1.8 Definition of Terms

Conflict –means in opposition or disagreement, fight, struggle or quarrel.

Functional-supporting the group of the workgroup and improving its performance. Dysfunctional-detective and prevent a group from achieving it`s goal. Challenges-invitation or call to have a fight, play game etc to see who is better.

Prospects-something hoped for, expected, looked forward.

1.9 Research Design and Methodology

1.9.1 Research Design

The researcher uses Qualitative (Descriptive) type of research.

1.9.2 Population and sampling technique, size

Population of the study is employees of wogagen bank s.c who are working at Gofa branch, the total population of this Brach is 58 .The sample is to be about 70% of the total targeted population which is 41employees including the managers. In the study this is determined in the assumption that it is enough to represent the population.Inorder to give equal chance to all population random sampling technique is used to select the sample size.

1.9.3 Type of Data to be used

The researcher used both primary and secondary data source for this purpose. Primary data is collected from questioner and interview. Secondary data related to the study is published books, journals, internet

website and also some published and unpublished documents of the organization.

1.9.4 Method(s) of Data Collection

The method of data collection in this research paper is questioner and interview. Interview is for managers and questioner for employees.

1.9.5Methods of Data Analysis

The method that the researcher uses to analyze the interview and data is descriptive methods of analysis; moreover, tables and charts are presented that assist for better understanding of the research.

1.10. Organization of the Study

The research work is organized in to four chapters

The first chapter provides the problem and research approach which includes Background of the study ,statement of the problem ,research questions , Objective of the study, Significance of the study, Scope/Delimitation of the study Definition of terms, research design and methodology.

The second chapter deals with the theoretical framework views of different authors about the subject under study shall be stated and critically investigated.

In third chapter the collected data is presented, analyzed and interpreted.

The final chapter draws conclusion and recommendation about the study under consideration based on the findings, analysis and interpretation. Moreover, it provides recommendations which helps for future improvements.

CHAPTER TWO
RELATED LITERATURE REVIEW

2.1 Definition of Conflict and Conflict Management

Conflict is actual or perceived opposition of needs, values and interests. A conflict can be internal (within oneself) to individuals. Conflict as a concept can help explain many aspects of social life such as social disagreement, conflicts of interests, and fights between individuals, groups, or organizations. Without proper social arrangement or resolution, conflicts in social settings can result in stress or tensions among stakeholders. When an interpersonal conflict does occur, its effect is often broader than two individuals involved, and can affect many associate individuals and relationships, in more or less adverse and sometimes even humorous way

Conflict is a process in which one party perseveres that its interests are began opposed of negatively affected by another party. (Steven 2000, p401)

Shortly conflict is defined as disagreement between people on substantive or emotional issues According to the above definitions it does not show where it begins and ends; conflict is a process and also conflict is a perception, so it exists

whenever someone believes or feels that another group or person obstructs its effort. (John Schermerhorn 1996, p240)

From the definition, conflict as a process that begins when one party perceives that another party has negatively affected, or is about to negatively affects, something that the first party cares about (Stephen B.Robins, 1998: p434).

Conflict as taught for graduate and professional work in conflict resolution (which can be win-win, where both parties get what they want, win-lose where one party gets what they want, or lose-lose where both parties don't get what they want) commonly has the definition: "when two or more parties, with perceived incompatible goals, seek to undermine each other's goal-seeking capability".

A clash of interests, values, actions or directions often sparks a conflict. Conflicts refer to the existence of that clash. Psychologically, a conflict exists when the reduction of one motivating stimulus involves an increase in another, so that a new adjustment is demanded. The word is applicable from the instant that the clash occurs. Even when we say that there is a potential conflict we are implying that there is already a conflict of direction even though a clash may not yet have occurred.

2.2 The Ingredients of Conflict

Needs - Needs are things that are essential to our well-being. Conflicts arise when we ignore others' needs, our own needs or the group's needs. Be careful not to confuse needs with desires (things we would like, but are not essential).

Perceptions - People interpret reality differently. They perceive differences in the severity, causes and consequences of problems. Misperceptions or differing perceptions may come from: self-perceptions, others' perceptions, differing

perceptions of situations and perceptions of threat. Power - How people define and use power is an important influence on the number and types of conflicts that occur. This also influences how conflict is managed. Conflicts can arise when people try to make others change their actions or to gain an unfair advantage.

Values - Values are beliefs or principles we consider to be very important. Serious conflicts arise when people hold incompatible values or when

Values are not clear. Conflicts also arise when one party refuses to accept the fact that the other party holds something as a value rather than a preference.

Feelings and emotions - Many people let their feelings and emotions become a major influence over how they deal with conflict. Conflicts can also occur because people ignore their own or others' feelings and emotions. Other conflicts occur when feelings and emotions differ over a particular issue.

2.3 Nature of Organizational Conflict

Organizational Conflict - The Good, the Bad & the UglyWe generally do not look at conflict as opportunity -- we tend to think about conflict as unpleasant, counter-productive and time-consuming. Conflict that occurs in organizations need not be destructive, provided the energy associated with conflict is harnessed and directed towards problem-solving and organizational improvement. However, managing conflict effectively requires that all parties understand the nature of conflict in the workplace.

Two Views: The Good, the Bad

There are two ways of looking at organizational conflict. Each of these ways is linked to a different set of assumptions about the purpose and function of organizations.

The Bad

The dysfunctional view of organizational conflict is imbedded in the notion that organizations are created to achieve goals by creating structures that perfectly define job responsibilities, authorities, and other job functions. Like a clockwork watch, each "cog" knows where it fits, knows what it must do and knows how it relates to other parts. This traditional view of organizations values orderliness, stability and the repression of any conflict that occurs. Using the timepiece analogy we can see the sense in this. What would happen to time-telling if the gears in our traditional watches decided to become less traditional, and re-define their roles in the system?

To the "traditional" organizational thinker, conflict implies that the organization is not designed or structured correctly or adequately. Common remedies would be to further elaborate job descriptions, authorities and responsibilities, increase the use of central power (discipline), separate conflicting members, etc.

This view of organizations and conflict causes problems. Unfortunately, most of us, consciously or unconsciously, value some of the characteristics of this "orderly" environment. problems arise when we do not realize that this way of looking at organizations and conflict only fits organizations that work in routine ways where innovation and change are

virtually eliminated. Virtually all government organizations work within a very disorderly context -- one characterized by constant change and a need for constant adaptation. Trying to "structure away" conflict and disagreement in a dynamic environment requires tremendous amounts of energy, and will also suppress any positive outcomes that may come from disagreement, such as improved decision-making and innovation.

The Good

The functional view of organizational conflict sees conflict as a productive force, one that can stimulate members of the organization to increase their knowledge and skills, and their contribution to organizational innovation and productivity. Unlike the position mentioned above, this more modern approach considers that the keys to organization success lie not in structure, clarity and orderliness, but in creativity, responsiveness and adaptability. The successful organization, then, NEEDS conflict so that diverging views can be put on the table, and new ways of doing things can be created.

The functional view of conflict also suggests that conflict provides people with feedback about how things are going. Even "personality conflicts" carry information to the manager about what is not working in an organization, affording the opportunity to improve.

If you subscribe to a flexible vision of effective organizations, and recognize that each conflict situation provides opportunity to improve, you then shift your view of conflict. Rather than trying to eliminate conflict, or suppress its symptoms, your task becomes managing conflict so that it enhances people and organizations, rather than destroying

people and organizations. So, the task is to manage conflict, and avoid what we call "the ugly"....where conflict is allowed to eat away at team cohesiveness and productivity.

The Ugly

We have the good (conflict is positive), the bad (conflict is to be avoided), and now we need to address the ugly. Ugly occurs where the manager (and perhaps employees) attempt to eliminate or suppress conflict in situations where it is impossible to do so. You know you have ugly in your organization when:

many conflicts run for years

people have given up on resolving and addressing conflict problems there is a good deal of private bitching and complaining but little attempt to fix the problem staff show little interest in working to common goals, but

but spend more time and energy on protecting themselves .When we get "ugly" occurring in organizations, there is a tendency to look to the manager or formal leader as being responsible for the mess. In fact, that is how most employees would look at the situation. It is true that managers and supervisors play critical roles in determining how conflict is handled in the organization, but it is also true that the avoidance of ugliness must be a shared responsibility. Management and employees must work together in a cooperative way to reduce the ugliness, and increase the likelihood that conflict can be channeled into an effective force for change.(Robert bacal). .Htt//work 911.com /articles /orgconflict .htm

2.4 Types of Organizational Conflict

There are two types of conflict in organizations, which are functional and dysfunctional conflict.

Functional conflict as the author ((John M. Ivancevich, 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 with in 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 undergraduate 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 with in 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."(John M. Ivancevich, 1990:305) when one group or person seeks to achieve his/her own goal at the total expense of or with disregard for others, usually dysfunctional conflicts will result.

2.5 Causes and Forms of Conflict

Conflict may arise in both interpersonal and intergroup relationships. Occasionally conflict between individuals and groups may be caused by

particular organizational strategies and practices. A third arena for conflict is between an organization and its environment. Interpersonal Conflict   Conflict between two or more individuals is most certain to occur in any organization, given the great variety in perceptions, goals, attitudes, and so forth among its members.

A frequent source of interpersonal conflict in organizations is what many people call a personality clash – that is when two people distrust each others' motives, dislike one another, or for some other reason simply can't get along. Conflict also may arise between people who have different beliefs or or perceptions about some aspect of their work or their organization. For example, one manager may want the organization to require that all employees use IBM personal computers to promote standardization.

Another manager may believe that employees should use a variety of equipment to recognize individuality. Similarly, a male manager may disagree with his female colleague over whether the organization is guilty of discriminating against women in promotion decisions.

and two groups of managers may have different ideas about wow best to allocate organizational resources.

Just like people, different departments often have different goals. Further, these goals may often be incompatible. A marketing goal of maximizing sales, achieved partially by offering many products in a wide variety of sizes, shapes, colors, and models, probably conflicts with a production goal of minimizing costs, achieved partially by long production runs of a few items. Earlier in this chapter we noted that Reebok confronted this

very situation. One group of managers wanted to introduce a new sport ware line as quickly as possible, where as other managers wanted to expand more deliberately and cautiously. Because the two groups were not able to reconcile their differences effectively, conflict between the two factions led to quality problems and delivery delays that plagued the firm for months.

Competition for scarce resources can also lead to intergroup conflict. between organization and environment   Conflict that arises between one organization and another is called inter organizational conflict. A moderate amount of inter organizational   conflict resulting from business competition is, of course, expected, but sometimes conflict becomes more extreme.

Conflict can also arise between an organization and other elements of its environment. For example, an organization may conflict with a consumer group over claims it makes about its products.

2.6 Consequences of Organizational Conflict

While the term conflict generally is associated with negative encounters, conflict itself is neither inherently good nor inherently bad. In fact, engaging in conflict can have positive effects on relationships and organizations.

Consider these benefits:

Conflict fosters an awareness that problems exist.

Discussing conflicting views can lead to better solutions.

Managing conflict is quicker and more efficient than letting conflicts fester.

Challenging old assumptions can lead to changes in outdated practices and processes.

Conflict requires creativity to find the best outcomes.

Conflict raises awareness of what is important to individuals.

Managing conflicts appropriately helps build self-esteem.

Managing conflicts well is a sign of maturity.

Conflicts are challenging.

Conflicts are exciting.

Conflicts encourage people to grow.

Conflicts create opportunity. Oter than the advantage,there are also some complicating factors of benefits and costs.Conflict management is a key skill for all successful long-term relationships.If conflicts are not properly managed ,they may lead to different consequenses.These are grouped into two broad categories

Immediate impact of unresolved conflict

Long-term impact of unresolved conflict

Immediate impact of unresolved conflict: Unresolved conflict has tremendous negative impact. It directly affects the parties themselves--the

two vice presidents are so absorbed with their conflict that they cannot carry out their normal job duties. In relationships, unresolved conflict leads to drifting away from one another and sometimes jettisoning the relationship entirely. One study even found that the relapse of compulsive gamblers was related to erupting interpersonal conflicts (Lorenz 1989).

Long-term impact of unresolved conflict: It isn't just the people who call one another names who have relationship difficulties deriving from

conflict. It has been clearly demonstrated that "couples who never engage in conflict are at long-term risk" (McGonagle, Kessler, and Gotlib 1993, 398)

2.7 Managing Conflict

There are five steps to managing conflict. These steps are:

Analyze the conflict

Determine management strategy

Pre-negotiation

Negotiation

Post-negotiation

But for the purpose of study ,I will focus only onthe conflict management strategy (techniques).

2.7.1 Determine Management Strategy.

Once you have a general understanding of the conflict, the groups involved will need to analyze and select the most appropriate strategy. In some cases it may be necessary to have a neutral facilitator to help move the groups toward consensus.

(www.cios.org/encyclopedia/conflict/Asignificance2_reasons.htm)

Conflict Management Techniques (Conflict Management Strategies)

OVERVIEW: Conflict is largely a perceived phenomenon. It is our perception of the situation that determines if a conflict exists. It is useful to assess our predominant conflict management style(s) because we tend

to get stuck in one or two styles and apply them inappropriately. The emphasis is not on judging any style right or wrong. Each person determines their predominant conflict management style.

OBJECTIVES: Identify personal management style(s); develop an awareness of strategies used in each conflict management style.

SHARK - Competing - is assertive and uncooperative. This strategy results from a high concern for your group's own interests with less concern for others. This is a power oriented mode in which one uses whatever power seems appropriate to win one's own position.

The outcome is "win/lose." This strategy includes most attempts at bargaining. It is generally used when basic rights are at stake or to set a precedent.

When to use Competition:

When you know you are right.

When you need a quick decision.

When you meet a steamroller type of person and you need to stand up for your own rights.

Drawbacks:

Others do not "buy in" to solution.

May lead to reduced communication and cooperation, damaged relationships, atmosphere of fear, resentment and ill will.

It can cause the conflict to escalate and losers may try to retaliate.

TEDDY BEAR-Accommodating - is unassertive and uncooperative. This is the opposite of competing. When accommodating, an individual neglects his/her own concerns to satisfy the concerns of the other person. There is an element of self-sacrifice in this mode. The outcome is "lose/win." It is a "goodwill gesture."

 When to use accommodating:

When the issue is not so important to you but it is to the other person.

When you discover that you are wrong.

When continued competition would be detrimental - "you know you can't win."

When preserving harmony without disruption is the most important - "it's not the right time."

Drawbacks to accommodation:

Too much difference can lower your self-esteem, influence, respect or recognition.

You become frustrated as your needs are unmet.

Your own ideas and concerns don't get attention and you may also lose credibility and future influence.

TURTLE - Avoiding - is unassertive and cooperative. When a person does not pursue her/his own concerns or those of the other person He/she does not address the conflict, but rather sidesteps, postpones or simply withdraws. The outcome is "lose/lose."

When to use avoiding:

When the stakes aren't that high and you don't have anything to lose - "when the issue is trivial."

When you don't have time to deal with it.

When the context isn't suitable - "it isn't the right time or place."

When more important issues are pressing.

When you see no chance of getting your concerns met.

When you would have to deal with an angry, hot headed person.

When you are totally unprepared, taken by surprise, and you need time to think and collect information.

When you are too emotionally involved and the others around you can solve the conflict more successfully.

Drawbacks to avoidance:

Your concerns may not be addressed

Your self-esteem is drained.

Frustration and anger build.

You lose credibility and respect

Matters may become worse if not addressed.

The drawbacks are that important decisions may be made by default.

OWL - Collaborating - is both assertive and cooperative. This is the opposite of avoiding. Collaboration involves an attempt to work with the other person to find some solution which fully satisfies the concerns of both persons. It includes identifying the underlying concerns of the two individuals and finding an alternative which meets both sets of concerns.

This results from a high concern for your group's own interests, matched with a high concern for the interests of other partners. The outcome is "win/win." This strategy is generally used when concerns for others are

important. It is also generally the best strategy when society's interest is at stake. This approach helps build commitment and reduce bad feelings. Generally regarded as the best approach for managing conflict, the objective of collaboration is to reach consensus.

 When to use collaboration:

When other's lives are involved.

When you don't want to have full responsibility.

When there is a high level of trust.

When you want to gain commitment from others.

When you need to work through hard feelings, animosity, etc.

 The best decisions are made by collaboration.

Drawbacks:

Very time and energy consuming

Commitment is needed from all parties

Some partners may take advantage of the others' trust and openness.

FOX - Compromising - is intermediate in both assertiveness and cooperativeness.

The objective of compromise is to find some expedient, mutually acceptable solution which partially satisfies both parties. It falls in the

middle group between competing and accommodating. Compromise gives up more than competing, but is less than accommodating.

This strategy results from a high concern for your group's own interests along with a moderate concern for the interests of other partners. The outcome is "win-some / lose some." This strategy is generally used to

achieve temporary solutions, to avoid destructive power struggles or when time pressures exist.

When to use compromise:

When the goals are moderately important and not worth the use of more assertive modes.

When people of equal status are equally committed.

To reach temporary settlement on complex issues.

To reach expedient solutions on important issues.

As a back-up mode when competition or collaboration doesn't work.

Drawbacks:

No one is fully satisfied.

Solution is often short-lived.

Can also distract the partners from the merits of an issue and create a cynical climate.

You lose sight of larger issues, principles and objectives.

All conflict treating methods have different characteristics, results moreover certain conflict handling methods can be effectively applied beside different conditions.

2.8 Resolving Conflict

Searching for the causes of conflict is essential to be successful in resolving the conflict. eight possible causes of conflict include:

•   Conflict with self

•   Needs or wants are not being met

•   Values are being tested

•   Perceptions are being questioned

•   Assumptions are being made

•   Knowledge is minimal

•   Expectations are too high/too low

•   Personality, race, or gender differences are present

2.8.1 Tips for Managing Conflict

As indicated above managing conflicts helps us To grow ,and strengt hen relationships withothers.

Conflict is often most effectively managed when you are:

Not necessarily getting rid of the conflict.

Keeping conflict under control, so it doesn't get out of hand.

Focusing on issues and ideas, rather than the individuals holding them

Attacking the problem, not the other people involved.

Seeking solutions.

Valuing diverse opinions and be open-minded to other viewpoints.

Treating each other with respect.

Staying with the issue at hand, and not bringing up past issues or conflicts

Trying to come up with the best possible solution, rather than having your side "win".

www.cios.org/encyclopedia/conflict/Asignificance1_dailylife.htm

2.9 Ways of Addressing Conflict

Five basic ways of addressing conflict were identified by Thomas and Kilman in 1976:[2][3]

Accommodation – surrender one's own needs and wishes to accommodate the other party.

Avoidance – avoid or postpone conflict by ignoring it, changing the subject, etc. Avoidance can be useful as a temporary measure to buy time or as an expedient means of dealing with very minor, non-recurring conflicts. In

more severe cases, conflict avoidance can involve severing a relationship or leaving a group.[4]

Collaboration – work together to find a mutually beneficial solution. While the Thomas Kilman grid views collaboration as the only win-win solution to conflict, collaboration can also be time-intensive and inappropriate

when there is not enough trust, respect or communication among participants for collaboration to occur.

Compromise – bring the problem into the open and have the third person present. The aim of conflict resolution is to reach agreement and most often this will mean compromise.[5]

Competition – assert one's viewpoint at the potential expense of another. It can be useful when achieving one's objectives outweighs one's concern for the relationship.[6]

2.10 Stimulating Conflict in Organizations Stimulating Conflict

In some situations, an organization may stimulate conflict by placing individual employees or groups in competitive situations. Managers can establish sales contests, incentive plans, bonuses, or other competitive

stimuli to spark competition. As long as the ground rules are equitable and all participants perceive the contest as fair, the conflict created by

the competition is likely to be constructive because each participant will work hard to win (thereby enhancing some aspect of organizational performance).

Another useful method for stimulating conflict is to bring in one or more outsiders who will shake things up and present a new perspective on organizational practices. Outsiders may be new employees, current employees assigned to an existing work group, or consultants or advisers hired on a temporary basis. Of course, this action can also provoke resentment from insiders who believe that they were qualified for the position.

Controlling Conflict

One method of controlling conflict is to expand the resource base. Suppose that a top manager receives two budget requests for $100,000 each.

If she has only $180,000 to distribute, the stage is set for conflict because each group believes that its proposal is worth funding and will be unhappy if it is not fully funded. If both proposals are indeed

worthwhile, she may be able to come up with the extra $20,000 from some other source and thereby avoid difficulty.

Finally, managers should try to match the personalities and work habits of employees to avoid conflict between individuals. For instance, two valuable subordinates, one a chain smoker and the other a vehement antismoker, should probably not be required to work together in an enclosed space. If

conflict does arise between incompatible individuals, a manager might seek an equitable transfer for one or both of them to other units.

Resolving and Eliminating Conflict

Despite everyone's best intentions, conflict sometimes flares up.

But it does little to resolve long-run or chronic conflict. Even more unadvisable, though, is "Smoothing"- minimizing the conflict and telling

everyone that things will "get better." Often the conflict will only worsen as people continue to brood over it.

Compromise is striking a middle-range position between two extremes. This approach can work if it is used with care, but in most compromise situations someone wins and someone loses. Budget problems are one of the few areas amenable to compromise because of their objective nature.

The confrontation approach to conflict resolution-also called interpersonal problem solving-consists of bringing the parties together to confront the conflict. the parties discuss the nature of their conflict and attempt to reach an agreement or a solution. Confrontation requires a reasonable degree of maturity on the part of the participants, and the manager must structure the situation carefully. If handled well, this approach can be an effective means of resolving conflict. Regardless of the approach, organizations and their managers must realize that conflict must be addressed if it is to serve constructive purposes and be prevented from bringing about destructive consequences. Conflict is inevitable in organizations, but its effects can be constrained with proper attention.

2.11Conflict Management; Challenges and Prospects

2.11.1 Challenges to Conflict Management

For the longest time, the prevalent view of conflict within organization 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.

Barriers to Further Growth .

Despite probability of the continuing development of conflict management

systems, there are potentially significant problems that could slow the pace of that growth. For organizations that have hesitated to this point, important issues remain that might give leaders pause as they consider whether to develop and implement a conflict management system.

Barriers with the Use of Neutrals

Most conflict management systems rely on neutrals that are external to the organization, yet not all observers accept the fact that arbitrators are somehow inherently neutral when they are providing services in a dispute. Some court cases have commented on the bias inherent in a system in which the neutrals are paid by the organization, but are expected to be entirely neutral on each case in which they are involved. Bias can be a particular risk when a single neutral, or a very small pool, is used by an organization. While such an arrangement may be efficient, it can lead to

employee suspicion that the system is somehow fixed against their interests. The bottom line is that employees and policy makers, as well as

the promulgators of workplace conflict management systems, have to have a high level of confidence in the neutral profession. Otherwise, the movement will be stunted by this problem. (http://www.glicktraining.com/conflict_management.htm).

2.11.2 Prospects of Conflict Management

1. Conflict is Inevitable and can be Resolved Constructively.

Conflict itself is a neutral event - it is neither good nor bad. Many people claim to agree with this proposition, but when conflict becomes difficult a belief emerges that conflict somehow is wrong and someone ought to be blamed or punished. Often this attitude is coupled with a deep belief that

"real conflict" must conclude with "a winner and a loser". Changing the "win/lose-conflict will lead to blaming" mindset is part of the difficult work in conflict management system design. A corollary of the belief that conflict is inevitable: We believe that conflict management systems are vibrant and dynamic processes which are ever changing and ever adaptive.

2. The use of a participative process for system design, where possible, is superior in its effectiveness, efficiency, and satisfaction for the parties involved.

If one is to assist an organization to design a conflict management system, the designer must be able to "walk the talk" of interest-based processes. A designer who presents her or himself as "the expert who will dispense the solution to an organization's conflict problems" will not be

able to model a process which will engage members in the major organizational change which a conflict management system involves. In addition, as noted above, when one is working with people who do not

believe in the value of interest-based processes, one has to be able to respond to the resistance with knowledge and experience.

3. Interest-based processes and rights-based processes need to be included in conflict management systems.

A well-designed conflict management system will have both interest-based and rights-options. Individuals with conflicts should be able to choose the methods of conflict resolution they believe will be most effective. We affirm that there are times when rights-based methods for resolving conflict will be the best method. However, conflict management systems in which interest-based options are not present are too limiting to be considered best practice.

4. Interpersonal Relationships are Important in the Workplace.

Organizations are relying increasingly on teams and the exchange of information to function. From the organizational point of view,

interpersonal relationships which are healthy and open will increase productivity. When interpersonal relationships are not fostered in an organization more and more employees are finding other employment, resorting to litigation and/or not working to their full capacity. Conflict management systems should be designed, to the extent possible, to encourage the development and maintenance of healthy and openly communicative interpersonal relationships.

5. Leaders need to Model the Practices they Want Others to Carry Out.

In the end, the goal of a conflict management system, especially one which emphasizes prevention and early resolution of conflicts, involves getting people to behave differently. Changing conflict behavior will be threatening for a large number of people. Thus part of the task of getting a conflict

management system to work is getting people to take risks by responding differently in conflict. Experience has shown that it is far less likely that people will take such risks if leaders are not modeling the kinds of behavior they are asking employees to practice.

6. The process of organizational change may present challenges and risks, but it can also provide a unique opportunity for building collaborative strength and a healthier, more participatory work environment.

Organizational change is difficult. Organizations resist and try to maintain their original condition. Today's work climate calls for more

collaboration and more employee empowerment. Organizations that can rise to the challenge of change can be stronger and more productive, retaining employees for longer periods of time and avoiding the strains of unmanaged conflict and the unnecessary costs of litigation.

CHAPTER THREE

3. DATA PRESENTATION ,ANALAYSIS AND INTERPRETATION

This Chapter deals with Conflict management practices, its challenges and prospects in Wegagen bank S.Co.

As any organization, wegagen bank also has a group of individuals who have different interests, goals and unique characteristics shaped by cultural social and biological backgrounds under the same goal and objective of the organization .Performance and productivity of the organization may be affected due to conflict resulted from differences among the group. Thus this research paper assumes that conflict between individuals and groups tend to result a positive and an adverse effect on wegagen bank achievement of goals.

Presentation and analysis of data gathered through questionnaires and interview is carried as shown in the following consecutive sections.

3.1 Presentation and Analysis of Data from Questionnaires.

This part largely reflects on presentation, analysis of data gathered through questionnaires. The respondent, employees were subject of the study. Out of the total number of workers around 58 who work in wegagen bank total of 41 (70%) questionnaires were distributed to employees. Among these groups of respondents, 35 employees returned the questionnaires. Among the returned questionnaires 98.9% are properly filled. So the analysis and interpretation of this section is based on the number of questionnaires correctly filled and returned.

Able 3.1: Characteristics of the Respondents (Respondents Profile)

No	Item		Non-managerial employees	
			No	%
1	Sex	Male	16	45.7
		Female	19	54.3
		Total	35	100
2	Age	15-25	7	20
		26-35	11	31.4
		36-45	11	31.4
		46& above	6	17.1
		Total	35	100
3	Year of service	0-3	6	17
		4-8	17	48.6
		8& above	12	34.3
		Total	35	100
4	Level of education	12 and below	2	5.7
		Certificate	3	8.6
		Diploma	17	48.6
		Degree	13	37.1

		Masters & above	-	
		Total	35	100

Source: Compiled from questionnaire.

As the above table indicates item 1, out of 35 employee's respondents 45.7% are Male and the rest (54.3%) are females. This implies that the percentages of male employees are less.

The second item shows the different Age groups. Almost 80% of the employee is between 26-46years old & above.

20% of the respondents are young employees which are between 15 – 25 years old. Based on this information it can be said that the employee's with in their productive age.

Item three shows 17.1% of employees serve the enterprise for more than 8 years. On the other hand the employees who serve the Company   4-8years are 48.6%. The remaining 34.1% of employees serve the Company from 0-3 years. This indicates that majority of employees know each other for a long period of time. In addition they are well experienced.

The last item shows that most of the employees, 48.6% are Diploma holders while 37.1%of the   employees are degree holders. On the other hand 8.6% of employees have Certificate &5.7% of them have 12 & below. **Table 3.2.Confilict in the Organization**

No	Item	Answers	Respondent	
			Employees	
			No.	%
1		Always	2	5.7

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	Frequency of the occurrence of conflict in the organization	Often	2	5.7
		Sometimes	23	65.7
		Never	8	22.3
		Total	**35**	**100**

		Between Management & Employees	10	15.4
2.	Points of occurrence	Among Employees	27	41.5
		Between Management & Employee Association	12	18.5
		Among Departments	16	24.6
		Among Managements	-	-
		Total	**65**	**100**
3	The impact of conflict on the overall performance of the company	Very high	9	25.7
		High	13	37.1
		Medium	7	20
		Low	3	8.6
		Very Low	3	8.6
		Total	35	100
4.	Degree of proximity between Management and Employee	Very high	2	5.7
		High	10	28.6
		Medium	15	42.9
		Low	6	17.1
		Very Low	2	5.7

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		Total	40	40
5.	Degree of proximity among Departments	Very high	6	17.1
		High	9	25.7
		Medium	14	40
		Low	5	14.3
		Very Low	1	2.9
		Total	35	100

Source: compiled from questionnaires

Table 2

N.B * for item 2 the total number of response not total number of respondents, since more than one answer is permissible (allowed)

Item 1 of the above table shows almost 77% of employees assure the existence of conflict in the organization even if it differs in its degree of existence

This information therefore approve (Gordon, 1984...) statement "every group or individual come into at least partial conflict with every other group or individual with which it interacts".

Item two indicate the focus area that conflict arises within the enterprises. Out of the total number of respondents 17.4% of managers & 18.5% of Non-Managerial Employees assure conflict arise between Management & labor union.

28.3% Managers and 41.5% of employees respond that conflict exist among employees. This may proof the separation of employee Union. And may affect the Team spirit of the Non-Managerial employees.

The percentage of respondent for conflict arise between Manager and Non-Managerial employees are 21.7% of Mangers and 15.4% Non-Managerial employees.

Conflict which arise among the managements is only responded by the managers which is 6.5% comparing the other focus area this is the least percentage which is appreciable.

Item three states the impact of conflict on the overall performance of the company. 25.7 employees responded very high. And 37.1% employees

responded high. Employees who responded to medium are 20%. In addition to this 5.7% of employees assure the impact is low& very low.

From the response obtained can be asserted that conflict has a negative impact on the overall performance of the company even if it differs in its degree.

Item four on the same table shows degree of proximity and connection between Management and employee. The two extremes (the very high &the very low) has equal weight (5.7%). 28.6% of employees responded to high & the respondents give high weight (42.9%) to the medium. And from this data it can be said that the relationship between Management and employee is almost moderate & it is satisfactory.

Table 3.3: Rules and Regulations of the Enterprise

No	Item	Answers	Respondent	
			Employees	
			No.	%
	The company's manual	Yes	27	77.1

		No	8	22.9
(rules & regulations) explained well to the employees?		**Total**	**35**	**100**

The above table item one indicates that 77.1% respondent assures the rules and regulations of the company are well explained to the employees. And the res 22.9% employees responded 'No' this implies that there is little (conflict) arise because of the rule and regulation of the enterprise.

Table 3. 4: Goal Incompatibility as a Source of Conflict

Item	Employees %
Strongly agree	32.5
agree	42.9
medium	8.5
low	17.1

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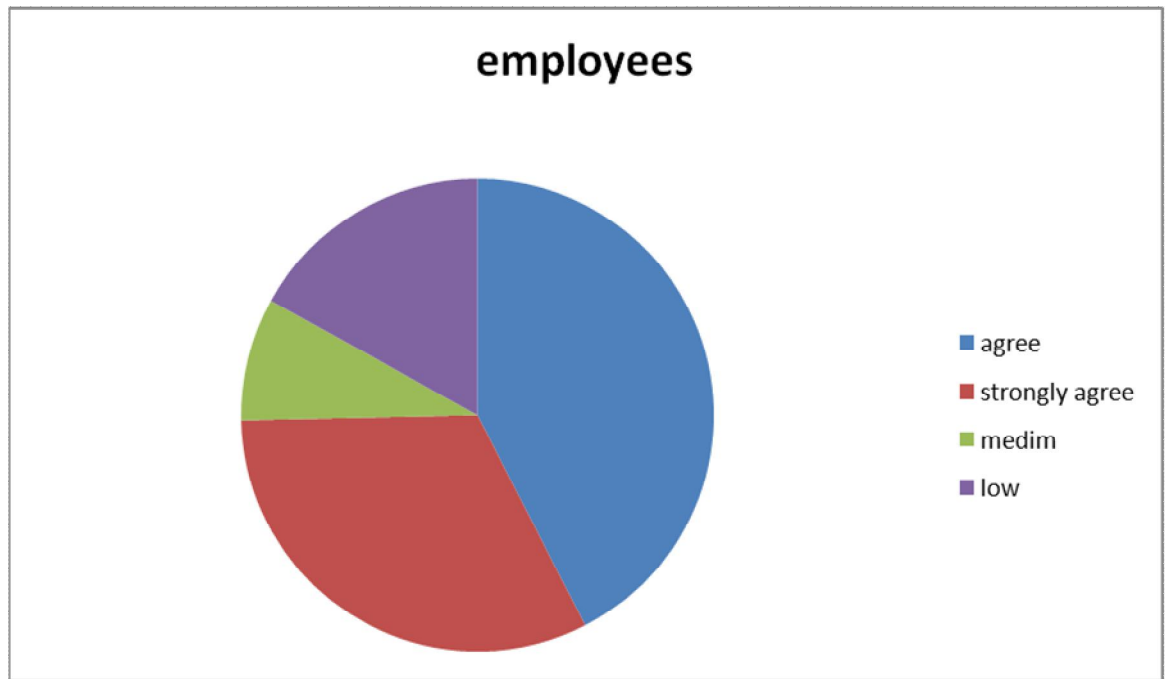
From the above data it is possible to conclude that conflict which arises due to goal incompatibility rated high. (More than 80% employees responded to very high & high)

Table 3.5: Task Interdependent as a Source of Conflict

No	Item	Answers	Respondents	
			Non–Managerial employees	
			No	%
1.	Conflict due to difference in performance of one department affect another departments, when one department is	Very high	10	28.6
		High	12	34.3
		Medium	7	20
		Low	3	8.5

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		Very Low	3	8.5
	dependent on the other.	**Total**	**35**	**100**

		Very high	13	37.1
		High	10	28.6
2.	The weakness of one department decreases the overall performance of the organization	Medium	3	8.5
		Low	4	11.4
		Very Low	5	14.3
		Total	**35**	**100**

Item 1 indicate 28.6% employees assure conflict arise due to the stated factor is very high. On the other hand 34.3% of employees responded to high. The respondents who rated medium are 20%.The employees rated as low and very low equally 8.5%. This implies that the degree of conflicts caused as a result of poor performance of one department is approximately high and this may affect the healthy relationship of different department.

Item 2 of table 5 indicate 37.1% Employees assured very high. 28.6% of employees responded to high.

The respondent who responded to medium is 8.5% of employees & 11.4. of employees responded to low. The rest 14.3% of employees assured to very low.

The above data indicate that more than half of the respondents (65.7%) assured poor performance of one department hinders the overall operation of the

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enterprise, & it is rated as high. This data approve the statement of jerry and Franklin (1988:248) which identifies the types of group interdependence contribute to conflict which is given as pooled, sequential and reciprocal interdependence (p. 15-16).

Table 3. 6: Reward and Incentives as a Source to Conflict
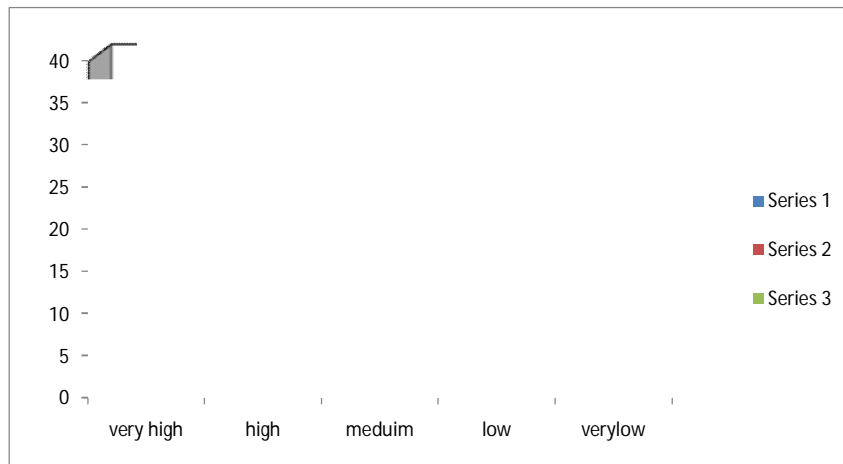
	Series 1 %
very high	14.3
high	40
medium	14.3
low	25.7
very low	5.7

The above item indicated 14.3% of employees responded to very high &40% of employees assured to high. The respondents who are responded to medium are 14.3% employees. On the other hand 25.7% of employees responded assured to low. The rest 5.7% of employees rated as very low.

Therefore this implies that the degree of conflicts caused as a result of Reward and Incentives is approximately high. This intern had an impact on the working moral of employees and managers.

Table 3.7: Resource Utilization as a Source of Conflict

No	Item	Answers	Respondents	
			Non –Managerial employees	
			No.	%
	Competition for inputs in different departments.	Very high	5	14.3
		High	9	25.7
		Medium	14	40
		Low	3	8.5
		Very Low	4	11.4
		Total	35	100

The above table illustrate 14.3% of employees agree the conflict arise because of input (resource allocation is very high and 27.7% of employees assumed as high. The respondents who rated it as medium is 40% and 8.5% & 11.4% employees rated it as law& very low respectively. From this data may be concluded that conflict arise because of resource utilization is not significant.

Table 8 :- Lack of clear Job Description to Workers

No	Item	Answers	Respondents Non –Managerial employees	
			No.	%
	Lack of clear job description given to different departments (individual).	Very high	6	17.1
		High	10	28.6
		Medium	12	34.3
		Low	3	8.6
		Very Low	4	11.4
		Total	35	100

The above table shows 17.1% of employees responded to very high and 28.6% of employees rated high. **40**

The respondents who agree to medium are 34.3% of employees. On the other hand 8.6% of employees responded to low. The rest 11.4% of the employees responded to very low. The impact of lack of job description on conflict is moderate.

Table 3.9: Organization Policy Regarding Assignment of Jobs to

      Employees

No	Item	Answers	Respondents Non – Managerial employees

			No.	%
		Very high	8	22.9
		High	6	17.1
	Organization commitment regarding assignment of jobs to employees	Medium	7	20
		Low	8	22.9
		Very Low	6	17.1
		Total	35	100

This table indicated that 22.9% of employees responded to very high & 17.1% of employees responded to high. On the other hand 20% of employer rated of medium The rest responded to low and very low as 22.9% for low and 17.1% to very low.

From the above table it can be concluded that, conflict due to organizational policy to the assignment of jobs is moderate.

Table 3.10: Conflicts Due to Differences Between Attitude & Values of Individual & Groups

No	Item	Answers	Respondents	
			Non –Managerial employees	
			No.	%
		Very high	3	8.5
	Conflicts due to differences between attitude and values of	High	7	20
		Medium	15	42.9

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	individual & groups	Low	4	11.4
		Very Low	6	17.1
		Total	35	100

As the above table 8.5% of employees responded to very high and 20% employees rated as high. In addition 42.9% employees responded to medium. On the other hand 11.4 of them responded low. The rest 17.1% of Employees responded to very low.

From this data it is possible to conclude that conflict which arises due to differences between attitudes and values of individuals and groups is rate as moderate.

Table: 3.11: Conflicts Due to Rumors and Untrue Information in

the Organization

No	Item	Answers	Respondents	
			Non –Managerial employees	
			No.	%
1	Conflicts due to rumors and untrue information in the organization	Very high	9	25.7
		High	8	22.9
		Medium	11	31.4
		Low	3	8.6
		Very Low	3	8.6
		Total	**35**	**100**

The above table demonstrates 25.7% employees responded as very high and 22.9%of them responded to high. On the other hand 31.4% of employees responded to medium. The rest employees responded equally to low and very low(8.6).

From the above data it may be concluded that conflict due to rumors and untrue information is rated high.

Table 3.12: When Employees are d to the company policy

No	Item	Answers	Respondents	
			Employees	
			No.	%
1	Employees got help from different employees association & not willing to be governed by company policy	Very high	6	17.1
		High	4	11.4
		Medium	10	28.6
		Low	6	17.1
		Very Low	9	25.7
		Total	35	100

The above table illustrate the employees responded equally to very high &low (17.1%) and also the employees rated to medium and very low as 28.6%. The employees who responded high are about 11.4%.

From the above table it is possible to conclude that conflict which arises due to employees' willingness towords the company policy by the help of different employee association is insignificant.

Table 3.13: Conflict due to Refusal to Accept the Management's Ideas Suggestions

No	Item	Answers	Respondents	
			Non –Managerial employees	
			No.	%
1	Conflict arises when not accepting management' s and consultant's ideas and suggestions	Very high	8	22.8
		High	7	20
		Medium	12	34.3
		Low	3	8.6
		Very Low	5	14.3
		Total	35	100

The above table shows 22.8% of employees responded to very high and 20% of employees rated as high.

On the other hand the employees who responded to medium and low are 34.3% and8.6% respectively. The rest 14.3% responded to very low.

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From the above data the employees agree with this specific issue. The employees rated the rise of conflict due to hesitating Managements and

consultant's ideas & suggestions as high.   Which implies the employees didn't accept the Management's and consultant's ideas & suggestion and because of this conflict arises.

Table 3.14: Conflict Due to Previous Unresolved Conflicts

No	Item	Answers	Respondents	
			Non–Managerial employees	
			No.	%
1	Conflict due to previous unresolved conflicts becoming a new cause of conflict	Very high	7	23.3
		High	8	26.7
		Medium	10	30
		Low	1	3.3
		Very Low	4	13.3
		Total	**30**	**100**

The above table demonstrates 23.3% of Non-Managerial employees and 20% of Managers and 26.7Non-Managerial employees' rates as very high& high respectively.

The number of respondents who responded to medium is 20% of Managers and 30% Non-Managerial employees respectively. On the other hand 20% of Managers and 3.3% of Non-Managerial employees responded to low.

The rest 40% Managers and 13.3% of Non-Managerial employees are responded to very low.

From the above table the Managers rated the causes of conflict due to previous unresolved conflicts as low but the Non-Managerial employees rated this cause as high, there is controversies in this idea.

3.3.4 The Attitude of Management and Employees Towards Conflict

Table 3.15. Advantages of Conflict

Item	Answers	Respondents	
		Employee	
		No.	%
Do you believe conflict have positive effect on performance.	Yes	11	31.4
	No.	24	68.6
	Total	**35**	**100**

Source: Complies from Questionnaire

Surprisingly 68.6% of employees give much emphasis on the negative consequences of conflict than the positive on the other hand from the above table of respondents, it can be concluded that More than 65% of employees are un aware of the positive advantage of conflict. But this sentence may contradict with the answer given to the open ended question. These are follows:

Employee

- It improves employee communication while the conflict occurs.
- Conflict helps to see the forgotten issues and hence drives solutions to the problems.

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- Conflict leads us to communication (discussion), this in turn produces solution to the specific problem.
- Sometimes it is needed to motivate individuals.
- It helps to identify causes of conflict and get solution

Sometimes it helps the employees to correct their weakness.

It helps to prevent the re happening of the conflict

- Helps to identify mistakes and learn from them.
- It leads to arrangement

It helps to identify the sources of conflict, then it leads to solution which enhances team spirit and openness.

To evaluate the management's capacity (ability)

It gives an opportunity to change the defective system if any.

When conflict arises from individual differences, employees share knowledge.

Table 16: Elimination of Conflicts

Item	Answers	Respondents	
		Employee	
Do you think conflict can be eliminated from your company?		No.	%
	Yes	5	14.3
	No.	8	22.9

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No Answer	22	62.9
Total	35	100

From the above table 62.9% of employees are not willing to any answer in this item.

14.3% of employees responded that conflict can be eliminated from the company and 22.9of non-managerial employees argued conflict cannot be eliminated from the company.

For this reason the respondents who assured "conflict can be eliminated from the company" rationalized the way (How?)

Employee

- God management can avoid any conflict
- By discussion we can avoid.
- By training employees and by negotiation
- By involving third party.

3.3.5 Techniques that are used to resolve conflict.

The following section provides some of the conflict resolution methods

Since every method has its own drawback which is described in the literature during, resolving conflict Manager should be aware of this.

Table 17: Conflict Resolution Method

			Respondents
			Non –

No	Item	Answers	Managerial employees	
			No.	%
1	A third party trying to find solution satisfying both the conflicting groups	Strongly agree	12	40
		Agree	9	25.7
		I don't know	6	17.1
		Disagree	3	8.6
		Strongly disagree	5	14.3
		Total	35	100

The above table describes nine conflict resolutions methods. Let us see each of them separately.From the table item one shows here a third party trying to find solution which satisfies for both conflicting parties

The respondents who strongly agree are 40% of employees and & 25.7% of employees rated as agree and 17.1% are neutral (I don't know).

On the other hand 8.6% of employees disagree with this issue. The rest 14.3% of employees strongly disagree. From the table (item one) it can be concluded that most of them (above 60%) of the respondents agree with this issue.

No	Item	Answers	Respondents
			Non –Managerial employees

			No.	%
2	The conflict resolution unit emphasize on the common interest of the conflicting parties (collaboration)	Strongly agree	16	45.7
		Agree	14	40
		I don't know	2	5.7
		Disagree	1	2.9
		Strongly disagree	2	5.7
		Total	35	100

Item 2 shows collaboration as a means of solving conflict from this item45.7% employees strongly agree in addition (40%) employees agree with this issue.

Only 2.9% of employees are neutral. 5.7% of employees disagree with this. And from item 2 more than 80% of the respondents agree with the

method of collaboration as a means of solving, this is high range and as mentioned earliest Managers should be are of the drawbacks of each method.

No	Item	Answers	Respondents	
			Non – Managerial employees	
			No.	%
3	A third party decides	Strongly agree	4	11.4
		Agree	13	37.1

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	all the solution by itself to resolve the conflict (without the involvement of the conflicting parties	I don't know	4	11.4
		Disagree	10	28.6
		Strongly disagree	4	11.4
	Total	Total	35	100

Item three describes when the third party decides all the solution by itself without involving the conflicting parties. For this item 11.4% of employees strongly agree with this issue and 37.1% of employees responded to Agree.

The respondents who are neutral to this issue 11.4% employees.

On the other hand 28.6% of employees disagree with this option and the rest also 11.4% of employees strongly disagree.

From this item the respondents (employees) are opposing each other. It can be seen from the data, almost half of the employees agree with this issue. This shows that if conflict occurs among employees. Most of them are not willing to be involved during resolving the conflict; this may lead to unhealthy environment.

			Respondents	
No	Item	Answers	Non –Managerial employees	
			No.	%
4	Giving appraisal for	Strongly agree	7	20
		Agree	13	37.1

		I don't know	8	22.9
those who resolve conflict by themselves (i.e. only conflicting parties)		Disagree	4	11.4
		Strongly disagree	3	8.6
		Total	35	100

Item four illustrates that motivate people who resolve conflict by themselves (the conflicting parties)

The respondents who strongly agree for this issue are 20%employees, more over 31.1 employees rated as Agree.

22.9% of employees assured that they didn't know this method or they are neutral.

The rest 11.4% of employees disagree with this option &8.6% employees strongly disagree.

From this item it may be conclude that even if there are individual who are not responded to this option (neutral group)50% of the respondents agree with this issue. This is appreciable.

No	Item	Answers	Respondents	
			Non –Managerial employees	
			No.	%
5	Re-positioning the conflicting parties (individuals) to different	Strongly agree	4	11.4
		Agree	7	20
		I don't know	4	11.4

		Disagree	13	37.1
	departments (jobs)	Strongly disagree	7	20
		Total	35	100

Item five demonstrates that repositioning of conflicting parties to different department as a means of conflict resolution mechanism.

11.4% of employees strongly agree with this option and 20% of employees responded to agree.

11.4% of employees are not aware of this issue they are neutral.

The rest 37.3% of employees disagree with this option & 20% employees strongly disagree. From this it may be summarized asThis item shows that almost 60% of employees disagree and this item illustrate that the managers should work hard to apply this option to approach the workers.

No	Item	Answers	Respondents	
			Non –Managerial employees	
			No.	%
6	Conflict will be resolved through time, no attention should be given to conflicts	Strongly agree	1	2.9
		Agree	3	8.6
		I don't know	3	8.6
		Disagree	16	45.7
		Strongly disagree	12	41.5

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		Total	35	100

Item six illustrates that since conflict will be resolved through time, no need to give attention.

For this mechanism more than 80% of respondents disagree with this issue. Which is good since conflict should be managed accordingly; it should not be let unresolve

No	Item	Answers	Respondents	
			Non –Managerial employees	
			No.	%
7	Resolve conflicts by giving a high concern for your groups own interests with less for others (competing)	Strongly agree	2	5.7
		Agree	2	5.7
		I don't know	3	8.6
		Disagree	14	40
		Strongly disagree	14	40
		Total	35	100

Item 7 Shows competing as a means of conflict resolution method. For this option about 80% employees disagree with this issue and it may be reasonable to conclude from this competing as a means of conflict resolution method is unsatisfactory.

			Respondents

No	Item	Answers	Non –Managerial employees	
			No.	%
8	Resolve conflicts by neglecting his/her own concern to satisfy the concerns of the other person (Accommodating)	Strongly agree	2	1.9
		Agree	3	3.8
		I don't know	-	7.5
		Disagree	10	47.2
		Strongly disagree	20	39.6
		Total	35	100

Item 8 this item describes accommodation as a means of conflict resolution method.

From this item almost 86%employees disagree with this option. And the rest 14% of managers agree.

It can be concluded from the data accommodation as a means of conflict resolution method for wegagen Bank is not as such important (it is unsatisfactory.

No	Item	Answers	Respondents	
			Non –Managerial employees	
			No.	%
		Strongly agree	3	3.8

9	Use a strategy by giving a high concern for your groups own interest along with moderate concern for the interests of the other (compromising)	Agree	1	11.3
		I don't know	6	11.3
		Disagree	12	45.3
		Strongly disagree	13	28.3
		Total	35	100

The last item which compromising a means of conflict resolution method

73.6% of the employees disagree with this option. On the other hand 15.1% of employees respond to agree and the rest 11.3% these groups are natural.

It can be conclude that compromising as a means of conflict resolution method also is unsatisfactory in this company .

Note! - All of the conflict resolution method has negative and positive side and it should be used carefully.

Based on the above data and explanation it is possible to conclude that majority of the respondents disagree on conflict resolution Mechanism that described above except item 1 and item 4.

3.1 Conflict in Wegagen

Interview Analysis

For the questions asked (Do you think conflict exist in your company?)

As the Managers replied"If there is work, there is always conflict & that is why the need for management" In addition they said we couldn't say conflict wouldn't exist & if it exists we can't eliminate it since we are managing human beings who have different interest, personality, goal etc. But definitely we can minimize the degree and frequency of conflicts by properly managing.

For the questions asked (Is there conflict that you face frequently)Yes

we face different types of conflict but the common are conflict among employees and conflict among departments

For the questions asked (what are the sources of conflict?)

There are different sources of conflict but the major sources are

Reward and incentives

Goal incompatibility among employees

Previous unresolved conflict

Resource utilization especially for scarce resources.

For the questions asked (Do you have techniques to minimize conflict?)

According to the techniques that is used to minimize conflict in the company are: By encouraging the workers positive side. and this will prevent the formation of informal groups and rumors from and to the

company. By adjusting the incentives (bonus & reward) given to different

departments. It is said also if conflict is moderate it may have advantages to the workers and the company as a whole. These are: Motivation and Encouragement Increasing performance The good side that can be appreciated from this enterprise is that, every manager is responsible for any employee working there. This doesn't mean that there is no accountability between the Managers, but there is a good relationship and belongingness among the Managers and employees. And no Manager says that is not my job, or it doesn't concern me, If that is his particular task he will manage, otherwise he/she will shift the issue through communication to the responsible Manager. It is also said that conflict mostly occur among employees.

 (Do you think conflict can be eliminated from your company?) Conflict can be avoided (Yes) how?

- Thinking of the overall objective of the company not as a department

- Good management can avoid conflicts.

- A positive relationship between management and Employees and among employees avoids conflict.

For the questions asked (do you believe conflict has effect on organizational performance?

Yes it has both negative and positive effect

Even if conflict has some negative effects it has also a positive effect on organizational performance

- Conflict shows the gap in the organization and improves the relationship among employees.

- Conflict helps for company improvement

- From conflict we can get the cause of the problem and the management resolves the conflict through discuss and decision.

- It helps to give more emphasis (attention) to the unresolved prior conflict

- Because conflict helps to evaluate employees according to their, responsibility and accountability.

CHAPTER FOUR

4.1 Conclusion

Based on the previous data analysis the following conclusion is being drawn. And these are some of the conclusion it can be discussed.

1. Occurrence of Conflict

Almost all respondents assure the occurrence of conflict in the organization. They agree with the idea "conflict is inevitable even if the type and degree differs.

2. Relationship within the company

As the study indicate the degree of proximity and connection between management and employee is almost moderate and is encouraging.

3. Rules and Regulations of the Enterprise

It is known from the data that rules and regulations of the enterprise are almost clearly communicated to the employees and this has a little impact for conflict to arise

4. Role of discipline committee to solve conflict .

There is no discipline committee in Wogagen bank for resolving conflict, but there is a labor management agreement manual in which the company administered and there is no conflict arises due to the absence of discipline committee.

5. Type of conflict

As the study indicated the most important types of conflict that arise within the enterprise has ranked in the following manner

1. Conflict Among employee
2. Among departments
3. Between management and employee
4. Between management and employee associations.
5. Among management.
6. Cause (Sources of conflict)

From the data Analysis part the source of conflict can be categories according to the weight given to them

Most important source	Moderate and least important
Goal incompatibility as a source of conflict	Rules and Regulations of the enterprise:
Task Interdependent as a source of conflict	Conflicts due to rumors and untrue information in the organization
Reward and Incentives	Conflict arises when not accepting management's and consultant's ideas and suggestions.
Lack of clear job description to workers	When employees got help from different employees association & not

	willing to be governed by company Policy.
Organization policy regarding assignment of jobs to employees.	Resource utilization as a source of conflict
Conflict due to previous unresolved conflicts becoming a new cause of conflict	

From the previous chapter as it is illustrated majority of employee give too much emphasis on the negative consequences of conflict, this implies that most of the non-managerial employees may not have a good knowledge about the positive effects of conflict.

7. Conflict Resolution Method

As it is said before most of the methods described have positive and negative side and from the data analysis used they can be categorized as follows.

Mostly used method are

- Collaboration
- Third party find solution which satisfies both conflicting group
- Motivating individual who resolve conflicts by themselves.

The least used method

- Third party decides on the solution by it self to resolve the conflict.

- Repositioning the conflicting parties to different departments.
- Compromising.
- Competing
- Conflict will be resolved through time, and no attention should be given to conflict
- Accommodation.

4.2 Recommendation

From the previous data the following recommendation can be drawn.

- Employees of the company agree with the inevitability of conflict. It is impossible to eliminate conflict, but it is possible to minimize the degree and frequency and make it useful to the company ,employees of wogagen bank should agree with this idea.
- As the procurement and store manager stated the major cause of conflict in wogagen bank is lack of clear understanding of the rule and regulations of the company. So there should be a good way to clear the rules and regulations of the company, like writing the rule and regulations according to the status of the individual, and writing also in different language (Amharic, English) etc. for easy understanding.
- From the previous section it is concluded that proximity and connection between management and employee is moderate and it is recommended that the company should be aware of this issue and should increase the intimacy between management and employee so that productivity and clear understanding to be met.

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- From the types of conflict that arise in the company, the conflict among employee and among departments rated high, and this is dagngerous to the company and this has an impact on the productivity and performance of the company. More over the team spirit of the worker will be low and if this issue is managed properly the company will be beneficial. (p.)
- To minimize the impact of the conflict in the company. Different techniques should be used like.
    - Giving training for.
    - Helping the employees for clear understanding of the rules and regulations of the company.

    - Balancing the incentives (bonus and reward) given to the different departments and with out affecting the other.
- As it is noted above when the managers are trying to use the conflict resolution method which are given in table 17, p. they should be aware of the positive and the drawbacks each method has.

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