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Conflict in Organization

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As an entrepreneur or business owner, it is inevitable not to get involved in conflict especially when the activities involve more than two parties. Conflict is defined as incongruence in the natural outcome of human interactions due to differences in goals, attitudes, values or beliefs between involved parties (Rahim, 2000). Conflicts often result from perceived inequity. In social and business interactions, individuals seek a "fair-deal" for both parties. If one party (the customer) feels she/he has not received a fair deal or, in equity theory terms, her/his input-output ratio to be inferior to those of other social actors (Anderson and Patterson 2008), a conflict can arise. Conflict, thus, stems typically from a perceived inequity or absence of distributive, procedural justice or interactional justice (Jehn 1995). To avoid the negative fallout from conflicts in services, firms need to possess the skills both to detect potential conflicts and handle manifest problems in customer relationships. Dwyer et al. (1987) define conflict handling as a firm's ability to minimize the negative consequences of manifest and potential conflicts. Conflict handling reflects the service provider's ability to avoid potential conflicts, solve manifest conflicts before they create problems and the ability to openly discuss solutions when problems arise (Ndubisi 2007). The importance of a service firm's conflict-handling ability arises from its effect on important marketing outcomes, namely customer satisfaction, customer-perceived relationship quality and customer loyalty.

Based on extant literature, conflict has traditionally been viewed as something to be avoided and with a negative connotation (Jehn, 1997). Some of the incidents of conflict behaviour are tension, frustration, verbal abuse, annoyance, interference and rivalry. Conflict is also thought to occur in mixed-motive relationships where people involved have both competitive and cooperative interests (Tjosvold et al., 1989). According to Bisno (1988), conflict is a process of social interaction involving a struggle over claims to resources, power and status, belief, and other preferences and desires. The aim of the parties in conflict may extend from simply attempting to gain acceptance or preference, or securing a resource advantage, to the extremes of injuring or eliminating opponents (Bisno, 1988).

Conflicts may have been caused due to various reasons. Among those causes are personality clashes, anger, inter personal factors like different perception and intention, power struggles and status differences to name a few. . Conflicts classified by sources can take place at the interpersonal, intra-group or intergroup levels. Most of those conflicts are due to incompatibilities of involved parties. Conflicts can occur in the context of two individuals, a group or two groups. However, this research will not focus on conflict but rather analyzing how conflict is being handled between service provider and customer.

Conflict Handling

Conflict handling is the ability to solve disputes and dissatisfaction effectively in an organization. Conflict handling is included as one of the interpersonal dimensions under study as previous researches and practitioners agree that for individuals, groups, organizations and other social entities to function successfully, they must manage conflict effectively (Rahim, 2000). Conflict handling can be defined as one's ability to handle the "overall level of disagreement in working relationships." (Anderson & Narus, 1990). The lack of understanding between individuals with different management styles may sometimes lead to misunderstanding and personal disagreements. Some of the incidents of conflict behaviour are tension, frustration, verbal abuse, annoyance, interference and rivalry.

Dwyer et.al (1987) define conflict handling as the supplier's or service provider's ability to minimize the negative consequences of manifest and potential conflict. Anderson & Narus (1990) define conflict handling as one's ability to handle the "overall level of disagreement in a working relationship. For the purpose of this study, conflict handling is defined as the ability to handle disagreements in building good relationships between customers and service providers.

Proper conflict management styles assist in providing expectations and a general attitude on how individuals will respond when confronted with conflict (Rahim, 2000). For any company, especially those in business, being able to handle conflict well is very important, as that will affect its marketing outcomes such as customer satisfaction and loyalty. The lack of understanding between individuals with different management styles may sometimes lead to misunderstanding and personal disagreements. Some of the incidents of conflict behaviour are tension, frustration, verbal abuse, annoyance, interference and rivalry.

When dealing with conflict, individuals use different styles and skill sets to develop solutions to problems. It involves the ability to discuss the misunderstanding openly, and offers solutions when there is a possibility for problems to arise. Proper conflict management styles assist in providing expectations and a general attitude on how individuals will respond when confronted with conflict (Rahim, 2000).

Conflict is almost inevitable among humans. Conflict happens due to perception of differences of interests among people. According to Wall and Callister (1995), with or without resolution, conflict can produce very negative residues. The involved parties can suffer frustration, mutual distrust, lack of commitment, physical harm, etc. On the contrary, with proper strategies, conflict can also bring positive results. At moderate level, it is thought to improve group efficiency and productivity (Chesler et al., 1978). Besides that, if conflict is being handled fairly, it is believed to be able to stimulate creativity and improve quality decisions (Cosier & Dalton, 1993). It is very important to analyze the conflict handling strategies that come together with a solution which is needed by customers.

As a conclusion, knowing and handling conflict effectively will bring good results to the business as customers feel at ease dealing with companies that minimize and know how to resolve conflict.

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