

CONFLICT MANAGEMENT IN ORGANIZATIONS: TYPES, RESOLUTION STRATEGIES, AND THEIR IMPACT ON ORGANIZATIONAL PERFORMANCE

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Abstract

Conflict is an unavoidable phenomenon in every organization because individuals possess different values, goals, perceptions, and working approaches. While conflict is often associated with negative outcomes such as stress, reduced productivity, and communication barriers, research indicates that properly managed conflict may contribute to organizational development, creativity, and improved decision-making. This paper examines the nature of organizational conflict, its primary causes, and major types including relationship, task, and process conflict. In addition, it explores conflict management styles proposed by Rahim, namely integrating, avoiding, obliging, dominating, and compromising approaches. The study also discusses stages of conflict management and highlights the importance of selecting suitable strategies for conflict resolution. Effective conflict management can enhance organizational performance, improve cooperation, and support productive workplace relationships. The findings suggest that the impact of conflict depends largely on managerial approaches and the methods used to address disagreements among employees.

Keywords: organizational conflict, conflict management, conflict resolution, workplace behavior, organizational performance, management styles, employee relations

Introduction

Organizations consist of individuals with diverse personalities, experiences, opinions, and professional goals. Such diversity creates opportunities for innovation and development but simultaneously increases the possibility of disagreements and conflict. Workplace conflict emerges when employees or groups perceive incompatibility in their interests, expectations, values, or approaches to achieving objectives. As organizations become increasingly complex and diverse, managing interpersonal and professional differences has become one of the key responsibilities of modern management.

Historically, conflict was viewed primarily as a destructive force that negatively affected employee performance and organizational outcomes. Earlier perspectives suggested that conflict should be minimized because it generated stress, weakened collaboration, and reduced productivity. However, contemporary management theories acknowledge that conflict is not always harmful. A moderate level of conflict may encourage critical thinking, improve communication, stimulate innovation, and support effective decision-making processes. Therefore, the issue is no longer whether conflict exists, but rather how organizations manage it.

Understanding the nature and dimensions of organizational conflict is essential for managers and employees alike. Effective conflict management allows organizations to transform disagreements into opportunities for growth and improvement. This paper examines the main causes and types of conflict and discusses approaches and strategies used to manage and resolve conflict in organizational settings.

Conflict management

Rahim (1997) described conflict as a process where employees discordant on important topics causing conflict between parties. Nahavandi and Malekzadeh (1998) pointed out several factors that might cause the conflict, they are contradictory interests, expectations and perceptions; diverse points of view. Schwenk (1990) in his research highlights two views on the conflict and its total outcome for the organisation. The first view is that conflict negatively affects employees productivity and reaching company's goals by increasing stress among employees and lost of job concentration. The second one is that the reasonable volume of conflict might help in the organisational development, flexible thinking, promote creativity and decision-making effectiveness. According to De Dreu and Weingart (2003) task conflicts increase innovation and productivity. However, Weingart (2008) mentioned that the harmful outcomes of conflict outweigh the positive, due to the fact that the positive results come only with a limited amount of conflict. Ability effective dealing with conflicts has a direct impact on company performance, corporate strategy, level of productivity, empowerment and performance as well as decision-making efficiency (Elsayed-Elkhouly, 1996).

According to A. Jehn (no date) there are three types of conflict

1. *Relationship* – interpersonal conflict, employees have problems in communication process. This type of conflict includes feelings and emotions such as annoyance, and dislike;
2. *Task* – disagreement in opinions and viewpoints about the task completion process;
3. *Process* – disagreement or contradiction about work processes and methods used.

According to Rahim (2000) five styles of conflict resolution are exist:

1. *Integrating (Collaborating)* – focuses on the interests of all parties. Collaboration, openness and information exchange are the part of this style. Conflict analyzed in details with participants and concentrates on a win-win solution. According to Rahim (2000) this type of strategy is an ideal one for solving conflicts among employees due to the fact that managers consider interests of both sides.
2. *Avoiding* – low interest of all parties. The main indicators of style are separation and keeping away from the problem, avoiding and ignoring the problem and refusing to deal with situation. This leads to the unresolved conflict and dissatisfaction of reaching goals of both parties.
3. *Obliging (accommodating or smoothing)* – focuses on the interests of others and dismiss personal needs. People with an obliging style overcome conflict by emphasizing similarities, downplaying discrepancies, and putting their own interests aside. This style is defined as a lose-win.
4. *Dominating* – focuses on personal interests. This type associates conflict situation with competition and the main aim is to win. By using this style people force personal preferences or ideas and resolution of the conflict creates a win-lose solution.
5. *Compromising* – intermediate interest for parties. This type focusses on win situation for both parties by using negotiation, cooperation and diplomacy. Based on the research of Chen and Tjosvold (2002) parties reflect the conflict as a mutual problem-solving process that in turn help to promote common goals and benefits. The outcome is that participants come up with agreement and get some result, however they are not fully satisfied from it.

Based on Iorio and Taylor (2014) research conflict management involves four phases: (1) Identification – identification and recognition of the existence of a conflict and the necessity to resolve it. (2) Resolution – stage

of strategy choosing for the solution of the conflictю (3) Enactment – implementation of the strategyю (4) Evaluation of the effectiveness of the resolution strategy.

Management team should strive to keep the cost of conflict to a bare minimum. Conflict has a dynamic impact on an organisation, and it can bring benefits or damage the company, depending on the type and management styles used for resolve the issue (Liu and Liu, 2008). To achieve a positive result, conflict must be efficiently controlled. As a result of the complexity of the conflict its managing becomes more complex.

Conclusion

Conflict is a natural and unavoidable aspect of organizational life because employees differ in perspectives, expectations, and personal interests. Although unmanaged conflict may create negative consequences such as stress, reduced productivity, and poor workplace relationships, appropriately managed conflict can produce positive organizational outcomes. Productive conflict can stimulate creativity, support innovation, and improve decision-making processes.

Different conflict situations require different management approaches. Strategies such as collaboration, compromise, accommodation, avoidance, and competition may be effective depending on the circumstances and organizational context. Therefore, managers should develop the ability to identify the source of conflict and choose appropriate resolution methods. Effective conflict management not only reduces organizational costs but also contributes to stronger teamwork, employee satisfaction, and improved organizational performance. Organizations that successfully manage conflict are more likely to create a productive and sustainable working environment.

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