TOWARD A THEORY OF MANAGING ORGANIZATIONAL CONFLICT

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The management of organizational conflict involves the diagnosis of and intervention in affective and substantive conflicts at the interpersonal, intragroup, and intergroup levels and the styles (strategies) used to handle these conflicts. A diagnosis should indicate whether there is need for an intervention and the type of intervention needed. In general, an intervention is designed (a) to attain and maintain a moderate amount of substantive conflict in nonroutine tasks at various levels, (b) to reduce affective conflict at all levels, and (c) to enable the organizational members to select and use the appropriate styles of handling conflict so that various situations can be effectively dealt with. Organizational learning and effectiveness can be enhanced through an appropriate diagnosis of and process and structural interventions in conflict.

Even though conflict is often said to be functional for organizations, most recommendations relating to organizational conflict still fall within the spectrum of conflict reduction, resolution, or minimization. Action recommendations from the current organizational conflict literature show a disturbing lag when compared to functional set of background assumptions that are often endorsed. These recommendations are usually designed to deal with conflict at the dyadic or group levels and are not appropriate for macro-level changes in an organization. Insofar as it could be determined, the literature on organizational conflict is deficient (with minor exceptions) in three major areas:

1. There is no clear set of rules to suggest when conflict ought to be maintained at a certain level, when reduced, when ignored, and when enhanced.

2. There is no clear set of guidelines to suggest how conflict can be reduced, ignored, or enhanced to increase organizational learning and effectiveness.

3. There is no clear set of rules to indicate how conflict involving different situations can be managed effectively.

This paper addresses these issues at a *macro level* and provides a design for managing interpersonal, intragroup, and intergroup conflicts. All these can be useful to the management practitioner as well as the academician.

Nature of Conflict

According to Roloff (1987), "organizational conflict occurs when members engage in activities that are incompatible with those of colleagues within their network, members of other collectivities, or unaffiliated individuals who utilize the services or products of the organization" (p. 496). We broaden this definition by conceptualizing conflict as an interactive process manifested in incompatibility, disagreement, or dissonance within or between social entities (i.e., individual, group, organization, etc.). Calling conflict an interactive process does not preclude the possibilities of intraindividual conflict, for it is known that a person often interacts with self. Obviously, one also interacts with others. Conflict may occur when:

1. A party is required to engage in an activity that is incongruent with his or her needs or interests.

2. A party holds behavioral preferences, the satisfaction of which is incompatible with another person's implementation of his or her preferences.

3. A party wants some mutually desirable resource that is in short supply, such that the wants of everyone may not be satisfied fully.

4. A party possesses attitudes, values, skills, and goals that are salient in directing his or her behavior but are perceived to be exclusive of the attitudes, values, skills, and goals held by the other(s).

5. Two parties have partially exclusive behavioral preferences regarding their joint actions.

6. Two parties are interdependent in the performance of functions or activities.

This definition is much more inclusive, which implies that conflict can relate to incompatible preferences, goals, and not just activities. It should be recognized that in order for conflict to occur, it has to exceed the threshold level of intensity before the parties experience (or become aware of) any conflict. This principle of conflict threshold is consistent with Baron's (1990) contention that opposed interests must be *recognized* by parties for conflict to exist.

Managing Conflict

The emphasis of this paper is away from the resolution of conflict to the management of conflict. The difference between resolution and management of conflict is more than semantic (Robbins, 1978). Conflict resolution implies reduction, elimination, or termination of conflict. A large number of studies on negotiation, bargaining, mediation, and arbitration fall into the conflict resolution category. In a review of literature on conflict and conflict management, Wall and Callister (1995) made the following comments:

we raised three of the most important questions in this article: is moderate conflict desirable? Is too little conflict as dysfunctional as too much? And should leaders, at times, promote conflict to attain organizational goals? Our tentative answers to these questions are no, no, and no. (p. 545)

Wall and Callister's approach to handling conflict is inconsistent with the recognition of scholars who suggest that organizational conflict has both functional and dysfunctional outcomes (Jehn, 1995; Mitroff, 1998; Pelled, Eisenhardt, & Xin, 1999). Eisenhardt, Kahwajy, and Bourgeois (1998) suggested that conflict in top management is inevitable and it is usually valuable. "Conflict at senior levels surrounding appropriate paths of action—what may be termed 'substantive,' 'cognitive,' or 'issue-oriented' conflict is essential for effective strategic choice" (p. 142). Therefore, it is our conclusion that Wall and Callister's fall within the realm of conflict resolution, which involves reduction, or termination of conflict. This amounts to throwing out the baby with the bathwater.

What we need for contemporary organizations is conflict management and not conflict resolution. Conflict management does not necessarily imply avoidance, reduction, or termination of conflict. It involves designing effective macro-level strategies to minimize the dysfunctions of conflict and enhancing the constructive functions of conflict in order to enhance learning and effectiveness in an organization.

Organizational learning is a significant construct and a number of contemporary organization theorists have indicated that the issue for the organizations is not whether they want to learn; they must learn as fast as they can (Argysis & Schon, 1996; Schein, 1993; Senge, 1990). Luthans, Rubach, and Marsnik (1995) concluded from their review of organizational learning literature that "the presence of tension and conflict seem to be essential characteristics of the learning organization. The tension and conflict will be evidenced by questioning, inquiry, disequilibrium, and a challenging of the status quo" (p. 30). Unfortunately, the literature on organizational conflict does not provide a clear link between conflict management strategies and organizational learning and effectiveness. Argyris (1994) suggests that existing theories encourage self-reinforcing and anti-learning processes which can best be described as "quasi-resolution of conflict" (p. 3). Several scholars have indicated the need for accommodating tensions and managing conflict constructively or the potential for collective learning will not be realized (Pascale, 1990; Senge, Kleiner, Roberts, Ross, & Smith, 1994). The implicit assumption here is that conflict management need to be strengthened at a macro-level for encouraging learning and effectiveness.

Several conflict management scholars (Amason, 1996; Jehn, Northcraft, & Neale, 1999; Rahim, 2001) have suggested that conflict management strategies involve recognition of the following:

1. Certain types of conflicts, which may have negative effects on individual and group performance, may have to be reduced. These conflicts are generally caused by the negative reactions of organizational members (e.g., personal attacks of group members, racial disharmony, sexual harassment).

2. There are other types of conflicts that may have positive effects on the individual and group performance. These conflicts relate to disagreements relating to tasks, policies, and other organizational issues. Conflict management strategies involve generation and maintenance of a moderate amount of these conflicts.

3. Organizational members while interacting with each other will be required to deal with their disagreements constructively. This calls for learning how to use different conflict-handling styles to deal with various situations effectively.

Criteria for Conflict Management

In order for conflict management strategies to be effective, they should satisfy certain criteria. These have been derived from the diverse literature on organization theory and organizational behavior. The following criteria are particularly useful for conflict management, but in general, they may be useful for decision making in management:

1. Organizational Learning and Effectiveness. Conflict management strategies should be designed to enhance organizational learning (Luthans et al., 1995; Tompkins, 1995). It is expected that organizational learning will lead to long-term effectiveness. In order to attain this objective, conflict management strategies should be designed to enhance critical and innovative thinking to learn the process of diagnosis and intervention in the right problems.

2. Needs of Stakeholders. Conflict management strategies should be designed to satisfy the needs and expectations of the strategic constituencies (stakeholders) and to attain a balance among them. Mitroff (1998) strongly suggests picking the right stakeholders to solve the right problems. Sometimes multiple parties are involved in a conflict in an organization and the challenge of conflict management would be to involve these parties in a problem solving process that will lead to collective learning and organizational effectiveness. It is expected that this process will lead to satisfaction of the relevant stakeholders.

3. Ethics. Mitroff (1998) is a strong advocate of ethical management. He concluded that "if we can't define a problem so that it leads to ethical actions that benefit humankind, then either we haven't defined or are currently unable to define the problem properly.

A wise leader must behave ethically, and to do so the leader should be open to new information and be willing to change his or her mind. By the same token subordinates and other stakeholders have an ethical duty to speak out against the decisions of supervisors when consequences of these decisions are likely to be serious. To manage conflicts ethically, organizations should institutionalize the positions of employee advocate, customer and supplier advocate, as well as environmental and stockholder advocates. Only if these advocates are heard by decision-makers in organizations may we hope for an improved record of ethically managed organizational conflict (Rahim, Garrett, & Buntzman, 1992). The disastrous outcomes in Enron and Worldcom probably could be avoided if this process was legitimized in these organizations.

Conflict Management Strategy

Existing literature on conflict management is deficient on strategies needed to manage conflict at the macro-level, which can satisfy the above criteria. An effective conflict management strategy should:

1. Minimize Affective Conflicts at Various Levels. Affective conflict refers to inconsistency in interpersonal relationships, which occurs when organizational members become aware that their feelings and emotions regarding some of the issues are incompatible. "Summarily stated, relationship conflicts interfere with task-related effort because members focus on reducing threats, increasing power, and attempting to build cohesion rather than working on task . . . The conflict causes members to be negative, irritable, suspicious, and resentful" (Jehn, 1997, pp. 531–532).

A. Evidence indicates that affective conflict impedes group performance. It affects group performance by limiting information processing ability and cognitive functioning of group members and antagonistic attributions of group members' behavior (Amason, 1996; Baron, 1997; Jehn, 1995; Jehn et al., 1999; Wall & Nolan, 1986).

B. Affective conflict diminishes group loyalty, workgroup commitment, intent to stay in the present organization, and job satisfaction (Amason, 1996; Jehn, 1995, 1997; Jehn et al., 1999). These result from higher levels of stress and anxiety, and conflict escalation.

2. Attain and Maintain a Moderate Amount of Substantive Conflict. Substantive conflict occurs when two or more organizational members disagree on their task or content issues. Substantive conflict is very similar to issue conflict, which occurs when two or more social entities disagree on the recognition and solution to a task problem. A study by Jehn (1995) suggests that a moderate level of substantive conflict is beneficial as it stimulates discussion and debate, which help groups to attain higher level of performance. "Groups with an absence of task conflict may miss new ways to enhance their performance, while very high levels of task conflict may interfere with task completion" (Jehn, 1997, p. 532). Evidence indicates that substantive conflict is positively associated with beneficial outcomes:

A. Groups that report substantive conflict are able to make better decisions than those that do not (Amason, 1996; Cosier & Rose, 1977; Fiol, 1994; Putnam, 1994; Schweiger, Sandberg, & Ragan, 1986). Substantive conflict encourages greater understanding of the issues, which leads to better decisions.

B. Groups that report substantive conflict generally have higher performance. This conflict can improve group performance through better understanding of various viewpoints and alternative solutions (Bourgeois, 1985; Eisenhardt & Schoonhoven, 1990; Jehn, 1995, 1997; Jehn et al., 1999). It should be noted that the beneficial effects of substantive conflict on performance were found only in groups performing nonroutine tasks, but not groups performing standardized or routine tasks.

Although substantive conflict enhances group performance, like affective conflict, it can diminish group loyalty, workgroup commitment, intent to stay in the present organization, and job satisfaction (Jehn, 1997; Jehn et al., 1999). As a

result, interventions for conflict management should be designed to develop cultural norms to support disagreement among group members in connection with tasks and other related management issues without generating affective conflict.

3. Select and Use Appropriate Conflict Management Strategies. As will be seen later, there are various styles of behavior, such as integrating, obliging, dominating, avoiding, and compromising, which can be used to deal with conflict. Organizational members would require training and on-the-job experience to select and use the styles of handling interpersonal conflict so that various conflict situations can be appropriately dealt with. In general, managing conflict to enhance learning and effectiveness require the use of integrating or problem solving style (Rahim, 2001; see also Gray, 1989).

Paradox of Conflict

Guetzkow and Gyr (1954) suggested two dimensions of conflict which are useful for managing conflict—one consisting of disagreements relating to task issues and the other consisting of emotional or interpersonal issues which lead to conflict. These two dimensions of conflict have been given a variety of labels— e.g., substantive and affective conflicts (Guetzkow & Gyr, 1954), task and relationship conflicts (Pinkley, 1990; Jehn, 1997), cognitive and affective conflicts (Amason, 1996), and task and emotional conflicts (Ross & Ross, 1989).

In recent years several researchers (Amason, 1996; Jehn, 1995; Pearson, Ensley, & Amason, 2002) have empirically investigated these two dimensions of conflict. They suggest that the distinction between these two types of conflict is valid and that they have differential effects in the workplace.

Several earlier researchers have noted the positive consequences of conflict (Assael, 1969; Evan, 1965; Hall & Williams, 1966; Janis, 1982; Peltz, 1967). Organizations in which there is little or no conflict may stagnate. On the other hand, organizational conflict left uncontrolled may have dysfunctional effects. The consensus among the organization theorists is that a moderate amount of conflict is necessary for attaining an optimum organizational effectiveness. Therefore, it appears that the relation between conflict and organizational effectiveness approximates an inverted–U function (Rahim & Bonoma, 1979). As such, Brown (1983) has suggested that "conflict management can require intervention to reduce conflict if there is too much, or intervention to promote conflict if there is too little" (p. 9). Following studies by Amason (1996) and Jehn (1997), it appears that the relationship suggested by Rahim and Bonoma and Brown is appropriate for substantive, but not affective conflict.

One of the problems of managing conflict is that the two dimensions of conflict are positively correlated. Past studies have reported significant positive correlations between these conflicts that range between .34 and .88 (cf. Simmons & Peterson, 2000). Only one study by Jehn (1995) reported a negative correlation (–.17) between these conflicts. This indicates that in the process of enhancing substantive conflicts, affective conflict may also be increased. Amason and Schweiger (1997) noted that the danger of "encouraging disagreement may yield results that are no better and may well be worse than avoiding conflict altogether. . . . The problem is that our ability to stimulate conflict outstrips our knowledge of how to

manage its effects" (p. 108). This chapter reports a strategy for managing conflict to deal with this issue.

Organizational Learning

One of the major objectives of managing conflict in contemporary organizations is to enhance organizational learning that involves *knowledge acquisition, knowledge distribution, information interpretation,* and *organizational memorization* (i.e., preserving information for future access and use). This enables organizational members to collectively engage in the process of diagnosis of and intervention in problems. Argyris and Schön (1996) define learning as "detection and correction of error" and discuss two types of organizational learning: single-loop and double-loop learning. Single-loop learning involves the diagnosis of and intervention in problems without changing the underlying policies, assumptions, and goals. In other words, single-loop learning results in cognitive and behavioral changes within an existing paradigm (the old paradigm or mindset). Double-loop learning occurs when the diagnosis and intervention require changes in the underlying policies, assumptions, and goals. In other words, double-loop learning involves cognitive and behavioral changes outside the existing paradigm (the new paradigm or mindset). Double-loop learning is very similar to second-order learning, or "learning how to learn." Bateson (1972) describes this type of learning as deutero-learning. An intervention for conflict management should promote double-loop rather than single-loop organizational learning.

It should be noted that individual learning is a necessary but not adequate condition for organizational learning. There must be processes and structures for transferring what is learned by individuals to the collective. In other words, organizational learning occurs when members of the collective have successfully learned from the individuals. There must also be mechanisms for preserving and accessing knowledge acquired by the collective.

Existing conflict resolution strategies, which have been described as dispute resolution or dispute management, emphasize negotiation or bargaining, mediation, and arbitration. These conflict resolution strategies are designed to deal with conflict at the micro-level within the existing structure and processes of an organization. In other words, these strategies do not involve significant change in the functioning of the organizations. As such these strategies maintain status quo which lead to single-loop learning (see Argyris, 1994).

The strategies for managing conflict presented in this paper would involve macro-level changes to encourage double-loop learning. Learning organizations such as Motorola, Dow Corning, General Electric, and Honda have adapted strategies of conflict management that are likely to encourage double-loop learning.

Characteristics of the Old Paradigm

Individual Defensive Reasoning

Argyris (1994) and Argyris and Schön (1996) have persuasively argued and provided evidence that double-loop learning is inhibited by defensive reasoning of organizational members. This type of reasoning takes place when members fail to

take responsibility for their decisions and attempt to protect themselves against the complaints of errors of judgement, incompetence, or procrastination by blaming others. This psychological reaction has something to do with the mental models humans develop early in life for dealing with embarrassing or threatening situations. Other scholars have described this type of defensive behavior as executive blindness. As a result of this, "Organizational members become committed to a pattern of behavior. They escalate their commitment to that pattern out of self-justification. In a desire to avoid embarrassment and threat, few if any challenges are made to the wisdom and viability of these behaviors. They persist even when rapid and fundamental shifts in the competitive environment render these patterns of behavior obsolete and destructive to the well-being of the organization" (Beer & Spector, 1993, p. 642).

Organizational Defensive Routines

Organizational defensive routines consist of procedures, policies, practices, and actions that prevent employees from having to experience embarrassment or threat. Also these routines prevent them from examining the nature and causes of that embarrassment or threat. Argyris (1990) has described the effects of these routines as follows:

Organizational defensive routines make it highly likely that individuals, groups, intergroups, and organizations will not detect and correct errors that are embarrassing and threatening because the fundamental rules are (1) bypass the errors and act as if they were not being done, (2) make the bypass undiscussable, and (3) make its undiscussability undiscussable. (p. 43)

Conflict management in the old paradigm did not recognize defensive reasoning of employees and organizational defensive routines as significant factors that limit an organization's capacity to respond to the environment. It is not possible to design an effective conflict management program unless the problems of defensive reactions and routines are recognized and confronted.

Problem Solving

Individual defensive reasoning and organizational defensive routines impede members of an organization to engage in problem solving process effectively. Creative problem solving involves the processes of problem recognition, solving problems, and implementation (see Figure 1):

1. Problem Recognition involves:
    A. Problem sensing
    B. Problem formulation
2. Solving Problems involve:
    A. Recommending solutions to problems
    B. Preparing plans for intervention
3. Implementation involves:
    A. Putting plans into action
    B. Review of outcomes

Figure 1
Problem-Solving Process
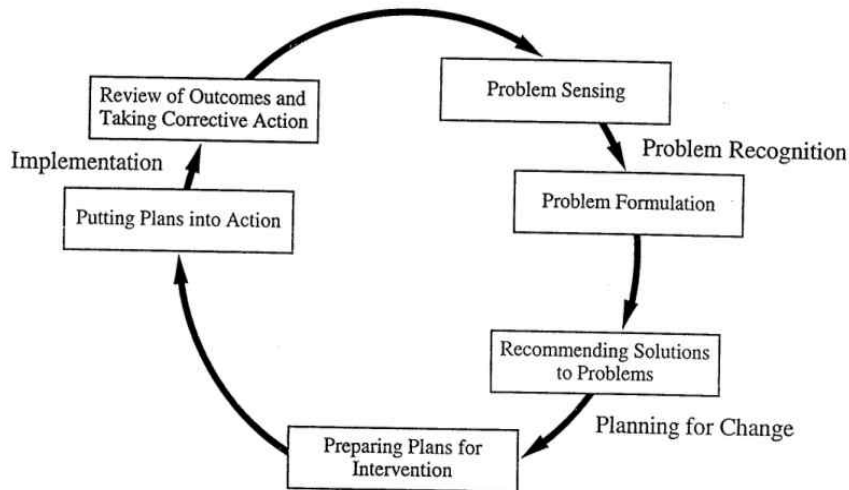
Because existing conflict management strategies have neglected to recognize and deal with the problems of defensive reactions of employees and organizational defensive routines, organizations do not have the culture that encourages members to engage in real problem solving process. The first phase of problem solving is problem recognition, which involves confronting political and other risky problems. Even if some organizational members overcome their defensive reactions, organizational defensive routines will not allow them to formulate the real problems. Organizational members who create "dissent" become the bad "guys. "

In contemporary organizations, problem formulation in the problem recognition phase is often distorted. As a result, old policies, procedures, and practices continue to be followed although they may have been rendered ineffective due to changes in the external environment. This typically results in Type III error, which has been defined "as the probability of having solved the wrong problem when one should have solved the right problem" (Mitroff & Featheringham, 1974, p. 383; see also Mitroff, 1998). Type I and Type II errors are well known in statistics, but Type III error is not a statistical error. Type III error is associated with the probability of solving a wrong problem. Type III errors (E_3) occur prior to Type I and Type II and it is also more basic. "Uncritical thinkers focus on and attempt to minimize Type I and Type II errors; critical thinkers focus on the Type III Error before they get caught up in Type I and Type II Errors. In other words, critical thinkers first attempt to insure that they are working on the right problem before they attempt to solve it in detail" (Mitroff, 1998, p. 18).

Organizational members may have to deal with another type of error. Sometimes good plans for intervention may not be put into action or a part of the plan may be put into action for a variety of reasons. This results in Type IV error: the

probability of not implementing a solution properly (Kilmann & Mitroff, 1979). Effective conflict management strategies should be able to minimize Type III and Type IV errors.

Mitroff's (1998) excellent book, *Smart Thinking for Crazy Times,* has provided detailed guidelines for avoiding Type III Error E_3 to solve the right problem. These are summarized as follows:

1. Select the Right Stakeholders. Managers often assume that stakeholders share their opinion or try to select stakeholders who share the same opinion. To avoid E_3, Mitroff suggests that managers need stakeholders who challenge their views.

2. Expand Your Options. To avoid E_3, managers should look at problems from more than one perspective: *scientific/technical, interpersonal/social, existential,* and *systemic*. An individual or group can determine whether an E_3 is committed "by comparing two very different formulations of a problem. A single formulation of a problem is a virtual prescription for disaster" (Mitroff, 1998, p. 61).

3. Phrase Problems Correctly. Phrasing a problem incorrectly may lead to E_3. The effectiveness of the formulation of a problem depends to a great extent on the language one uses.

4. Extend the Boundaries of Problems. Managers should enlarge the boundary or scope of a problem so that it is inclusive enough. In other words, "never draw the boundaries of an important problem too narrowly; broaden the scope of every important problem up to and just beyond your comfort zone" (Mitroff, 1998, p. 29).

5. Think Systemically. Managers should not focus on a part of the problem or ignore connection between parts. Failure to think and act systemically can lead to E_3.

Conditions for Effective Conflict Management

Traditional conflict management does not question whether the structure and processes of an organization is deficient which are causing dysfunctional conflict. It tries to resolve or reduce conflict between parties at the micro-level within the existing system. Effective conflict management involves change at the macro-level in the organization so that substantive conflict is encouraged and affective conflict is minimized at the individual, group, intergroup, and organizational levels. To do this there must be changes in leadership, culture, and design of an organization.

Studies on the management of organizational conflict have taken two directions. Some researchers have attempted to measure the amount or intensity of conflict at various organizational levels and to explore the sources of such conflict. Implicit in these studies is that a moderate amount of conflict may be maintained for increasing organizational effectiveness by altering the sources of conflict. Others have attempted to relate the various styles of handling interpersonal conflict of the organizational participants and their effects on quality of problem solution or attainment of social system objectives. It becomes evident from this discussion that the distinction between the "amount of conflict" at various levels and the "styles of

handling interpersonal conflict," is essential for a proper understanding of the nature of conflict management.

Amount of Conflict

The previous discussion was mainly based on the notion of the amount of conflict. In recent years some researchers have used the indices of incompatibility, annoyance, disputes, disagreement, etc. to measure the intensity of conflict at various levels. These are measures of the amount of conflict, which are quite distinct from the styles of handling conflict.

Substantive and Affective Conflict. Organizational conflict—substantive or affective—may be classified as intraorganizational (i.e., conflict within an organization) or interorganizational (i.e., conflict between two or more organizations). Intraorganizational conflict may also be classified on the basis of levels (individual, group, etc.) at which it occurs. On this basis intraorganizational conflict may be classified as interpersonal, intragroup, and intergroup. *Interpersonal conflict,* also known as dyadic conflict, refers to disagreement or incompatibility between two or more organizational members of the same or different hierarchical levels or units. *Intragroup conflict,* also known as intradepartmental conflict, refers to conflict among members of a group, or between two or more subgroups within a group in connection with its goals, tasks, procedures, etc. *Intergroup conflict,* also known as interdepartmental conflict, refers to conflict between two or more units or groups within an organization.

There are various processes and structures that affect substantive and affective conflict at these three levels. The management of conflict partly involves the diagnosis of and intervention in these factors to reduce affective conflict and to attain and maintain a moderate amount of substantive conflict at each level.

Styles of Handling Conflict

One of these "processes" is the various styles of behavior by which interpersonal conflict may be handled. Mary P. Follett (1926/1940) found three main ways of dealing with conflict: domination, compromise, and integration. She also found other ways of handling conflict in organizations, such as avoidance and suppression. Blake and Mouton (1964) first presented a conceptual scheme for classifying the modes (styles) for handling interpersonal conflicts into five types: forcing, withdrawing, smoothing, compromising, and problem solving. They described the five modes of handling conflict on the basis of the attitudes of the manager: concern for production and for people. Thomas (1976) reinterpreted their scheme. He considered the intentions of a party (cooperativeness, i.e., attempting to satisfy the other party's concerns; and assertiveness, i.e., attempting to satisfy one's own concerns) in classifying the modes of handling conflict into five types. Pruitt's (1983) dual-concern model (concern for self and concern for others) suggests that there are four styles of handling conflict: yielding, problem solving, inaction, and contending. He did not recognize compromising as a distinct style.

Rahim and Bonoma (1979) differentiated the styles of handling conflict on two basic dimensions: concern for self and concern for others. The first dimension explains the degree (high or low) to which a person attempts to satisfy his or her

own concern. The second dimension explains the degree (high or low) to which a person attempts to satisfy the concern of others. It should be pointed out that these dimensions portray the motivational orientations of a given individual during conflict. Studies by Ruble and Thomas (1976) and Van de Vliert and Kabanoff (1990) yielded general support for these dimensions. Combination of the two dimensions results in five specific styles of handling interpersonal conflict, as shown in Figure 2 (Rahim & Bonoma, 1979, p. 1327).

Figure 2
The Dual Concern Model of the Styles
of Handling Interpersonal Conflict
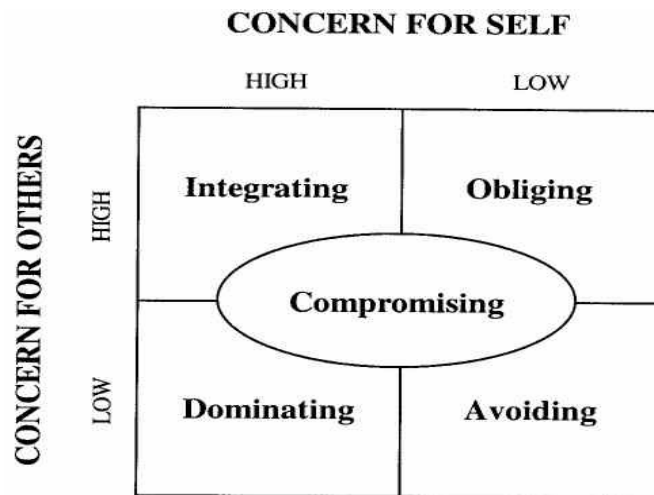
Management scholars now agree that there is no one best approach to make decisions, to lead, and to motivate. The *contingency approach* (also called situational approach), which is the hallmark of contemporary management, has replaced the simplistic "one best" approach. Consider, for example, the decision theory of leadership, which states that each of the five leadership styles (1 = *Autocratic* . . . 5 = *Participative*) is appropriate depending on the situations. The theory considers two situations: the *quality of the decision* (i.e., the extent to which it will affect important group processes) and *acceptance of the decision* (i.e., the degree of commitment of employees needed for its implementation). The theory suggests that when the decision quality and acceptance are both low, the leader should use autocratic style. On the contrary, if the decision quality and acceptance are both high, the leaders should use participative style. Therefore, it appears that effective leadership depends upon matching leadership styles with situations. Failure to match these two variables will lead to ineffective leadership.

Taking lead from the contingency approach, it is possible to develop a contingency theory of conflict management. For example, in a conflict situation characterized by low decision quality and acceptance, the dominating style may be justified. In the reverse condition (high decision quality and high decision acceptance), using the integrating style is the most appropriate to use.

The strategies of conflict management presented in this paper are consistent with the contemporary leadership theories in organizations: Fiedler's (1967) contingency theory of leadership, House's (1971) path-goal theory of leadership, and Vroom and Yetton's (1973) decision theory of leadership. According to these theories, there is no one best style for dealing with different situations effectively. Whether a particular leadership style is appropriate (or inappropriate), depends on situation(s).

The theory of conflict management presented above is flexible in terms of the situations or factors to be considered in selecting and making use of a conflict style. A style is considered appropriate for a conflict situation if its use leads to effective formulation and/or solution to a problem.

Although some behavioral scientists suggest that integrating or problem-solving style is most appropriate for managing conflict (Blake & Mouton, 1964; Likert & Likert, 1976), it has been indicated by others that, for conflicts to be managed functionally, one style may be more appropriate than another depending upon the situation (Rahim, 2001; Rahim & Bonoma, 1979; Thomas, 1977). In general, integrating and to some extent compromising styles are appropriate for dealing with the strategic issues. The remaining styles can be used to deal with tactical or day-to-day problems. A summary of the styles of handling interpersonal conflict and the situations in which these are appropriate have been presented in Table 1.

1. Integrating (high concern for self and others) style is associated with problem solving, i.e., the diagnosis of and intervention in the right problems. The use of this style involves openness, exchanging information, looking for alternatives, and examination of differences to reach an effective solution acceptable to both parties.

This is useful for effectively dealing with complex problems. When one party alone cannot solve the problem—i.e., when synthesis of ideas is needed to come up with better solution to a problem, this style is appropriate. It is also useful in utilizing the skills, information, and other resources possessed by different parties to define or redefine a problem and to formulate effective alternative solutions for it, and/or commitment is needed from parties for effective implementation of a solution. This can be done provided that there is enough time for problem solving. Lawrence and Lorsch (1967) found this mode (style) to be more effective than others in attaining integration of the activities of different subsystems in an organization. Pruitt and Carnevale (1993) provided some evidence from laboratory studies that problem solving style is the best in managing social conflict. This style is appropriate for dealing with the strategic issues pertaining to an organization's objectives and policies, long-range planning, etc.

2. Obliging (low concern for self and high concern for others) style is associated with attempting to play down the differences and emphasizing commonalities

to satisfy the concern of the other party. An obliging person neglects his or her own concern to satisfy the concern of the other party.

Table 1
Styles of Handling Interpersonal Conflict and the
Situations Where They Are Appropriate or Inappropriate

Conflict style	Situations where appropriate	Situations where inappropriate
Integrating	1. Issues are complex. 2. Synthesis of ideas is needed to come up with better solutions. 3. Commitment is needed from other Parties for successful implementation. 4. Time is available for problem solving. 5. One party alone cannot solve the problem. 6. Resources possessed by different parties are needed to solve their common problems.	1. Task or problem is simple. 2. Immediate decision is required. 3. Other parties are unconcerned about outcome. 4. Other parties do not have problem-solving skills.
Obliging	1. You believe that you may be wrong. 2. Issue is more important to the other party. 3. You are willing to give up something in exchange for something from the other party in the future. 4. You are dealing from a position of weakness. 5. Preserving relationship is important.	1. Issue is important to you. 2. You believe that you are right. 3. The other party is wrong or unethical.
Dominating	1. Issue is trivial. 2. Speedy decision is needed. 3. Unpopular course of action is implemented. 4. Necessary to overcome assertive subordinates. 5. Unfavorable decision by the other party may be costly to you. 6. Subordinates lack expertise to make technical decisions. 7. Issue is important to you.	1. Issue is complex. 2. Issue is not important to you. 3. Both parties are equally powerful. 4. Decision does not have to be made quickly. 5. Subordinates possess high degree of competence.
Avoiding	1. Issue is trivial. 2. Potential dysfunctional effect of confronting the other party outweighs benefits of resolution. 3. Cooling off period is needed.	1. Issue is important to you. 2. It is your responsibility to make decision. 3. Parties are unwilling to defer, issue must be resolved. 4. Prompt attention is needed.
Compromising	1. Goals of parties are mutually exclusive. 2. Parties are equally powerful. 3. Consensus cannot be reached. 4. Integrating or dominating style is not successful. 5. Temporary solution to a complex problem is needed.	1. One party is more powerful. 2. Problem is complex enough needing problem-solving approach.

This style is useful when a party is not familiar with the issues involved in a conflict or the other party is right and the issue is much more important to the other party. This style may be used as a strategy when a party is willing to give up something with the hope of getting some benefit from the other party when needed. This style may be appropriate when a party is dealing from a position of weakness or believes that preserving relationship is important.

This style is inappropriate if the issue involved in a conflict is important to the party and the party believes that he or she is right. It is also inappropriate when a party believes that the other party is wrong or unethical.

3. Dominating (high concern for self and low concern for others) style has been identified with win–lose orientation or with forcing behavior to win one's position. A dominating or competing person goes all out to win his or her objective and, as a result, often ignores the needs and expectations of the other party.

This style is appropriate when the issues involved in a conflict are important to the party or an unfavorable decision by the other party may be harmful to this party. A supervisor may use this style if the issues involve routine matters or speedy decision is required. A supervisor may have to use it to deal with subordinates who are very assertive or they do not have expertise to make technical decisions. This is also effective in dealing with the implementation of unpopular courses of action.

This style is inappropriate when the issues involved in conflict are complex and there is enough time to make a good decision. When both parties are equally powerful, using this style by one or both parties may lead to stalemate. Unless they change their styles, they may not be able to break the deadlock. This style is inappropriate when the issues are not important to the party. Subordinates, who possess high degree of competence, may not like a supervisor who uses this authoritarian style.

4. Avoiding (low concern for self and others) style has been associated with withdrawal, buckpassing, or sidestepping situations. An avoiding person fails to satisfy his or her own concern as well as the concern of the other party.

This style may be used when the potential dysfunctional effect of confronting the other party outweighs the benefits of the resolution of conflict. This may be used to deal with some trivial or minor issues or a cooling off period is needed before a complex problem can be effectively dealt with.

This style is inappropriate when the issues are important to a party. This style is also inappropriate when it is the responsibility of the party to make decisions, when the parties are unwilling to wait, or when prompt action is required.

5. Compromising (intermediate in concern for self and others) style involves give-and-take whereby both parties give up something to make a mutually acceptable decision.

This style is useful when the goals of the conflicting parties are mutually exclusive or when both parties, e.g., labor and management, are equally powerful and have reached an impasse in their negotiation process. This can be used when consensus can not be reached, the parties need a temporary solution to a complex problem, or other styles have been used and found to be ineffective in dealing with the issues effectively. This style seems most useful for avoiding protracted conflict.

This style is inappropriate for dealing with complex problems needing problem-solving approach. Unfortunately, very often management practitioners use this style to deal with complex problems, and, as a result, fail to identify real problems and formulate effective solutions to these problems. This style may be inappropriate if a party is more powerful than another and believes that his or her position is right.

Integrative and Distributive Dimensions

It has been suggested by Prein (1976) and Thomas (1976) that further insights into the five styles of handling interpersonal conflict may be obtained by organizing them according to the integrative and distributive dimensions of labor–management bargaining suggested by Walton and McKersie (1965). Follett's (1926/1940) conceptualization is the forerunner of Walton and McKersie's (1965) distinction between these dimensions. Figure 3 shows the five styles of handling interpersonal conflict and their reclassifications into the integrative and distributive dimensions.

Figure 3
The Dual Concern Model: Problem Solving and Bargaining Dimensions
of the Styles of Handling Interpersonal Conflict
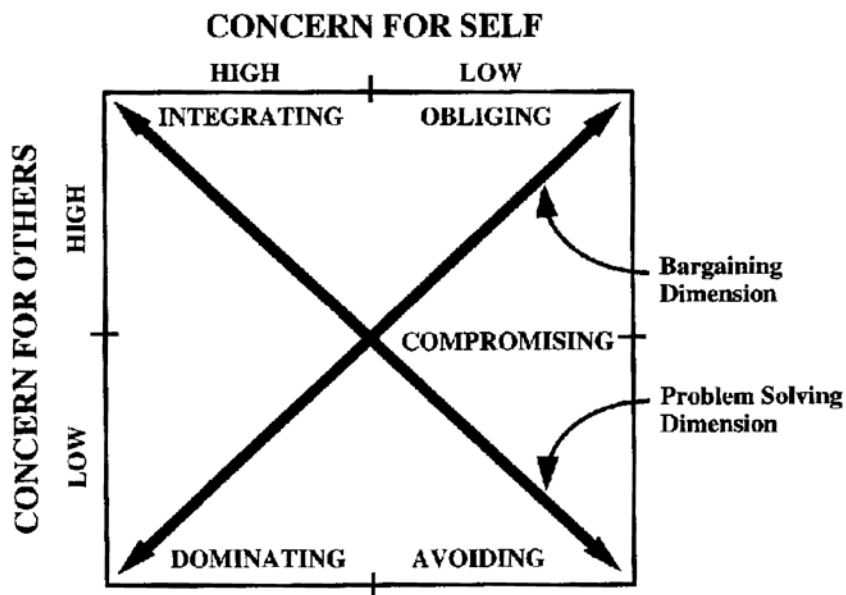
The integrative dimension—Integrating style *minus* Avoiding style—represents a party's concern (high–low) for self and others. The distributive dimension—

Dominating style *minus* Obliging style—represents a party's concern (high–low) for self or others. These two dimensions represent the *problem solving* and *bargaining* styles for handling conflict, respectively. A problem solving style represents a party's pursuit of own *and* others' concerns, whereas the bargaining style represents a party's pursuit of own *or* others' concerns. A High–High use of the problem solving style indicates attempts to increase the satisfaction of concerns of both parties by finding unique solutions to the problems acceptable to them. A Low–Low use of this style indicates reduction of satisfaction of the concerns of both parties as a result of their failure to confront and solve their problems. A High–Low use of the bargaining style indicates attempts to obtain high satisfaction of concerns of self and providing low satisfaction of concerns of others. A Low–High use of this style indicates attempts to obtain the opposite. Compromising is the point of intersection of the two dimensions, that is, a middle ground position where a party has an intermediate level of concerns for own and others.

The problem-solving dimension is appropriate for managing strategic conflict for enhancing double-loop organizational learning and effectiveness. The bargaining dimension is appropriate for managing tactical or routine day-to-day conflict. This approach to conflict management will maintain single-loop learning.

To summarize, the design for conflict management discussed above suggests that effective management of conflict involves the following processes:

1. A moderate amount of substantive conflict should be attained and maintained for nonroutine tasks.

2. Affective conflict should be minimized.

3. Organizational members should learn to select and use each of the five styles of handling conflict depending on the nature of the situations.

Managing Conflict Process

The management of organizational conflict involves the processes of diagnosis of and intervention in conflict. Diagnosis provides the basis for intervention. This process is shown in Figure 4.

Figure 4
Process of Managing Conflict
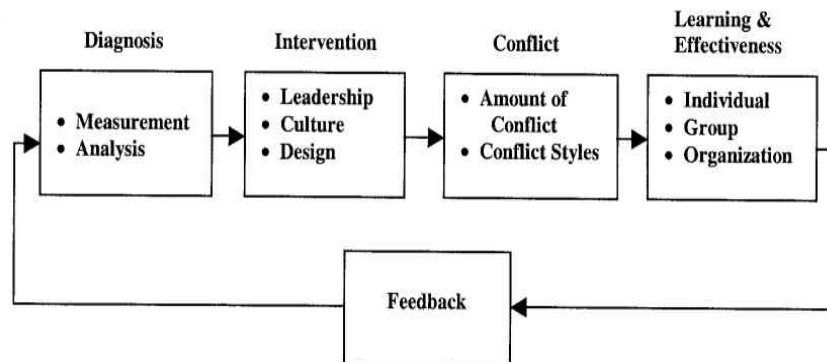
Diagnosis

As discussed before, the first step in the problem solving process is problem recognition, which involves problem sensing, and problem formulation. The field of management has developed solutions to numerous problems, but it has neglected to investigate and develop the process of problem recognition. Problem finding or recognition requires appropriate diagnosis of the problems, a step which is neglected in many contemporary organizations. As a result, very often interventions are recommended without proper understanding of the nature of the problem(s). This can lead to ineffective outcomes.

Identification or diagnosis of the problems of conflict in an organization must precede any intervention designed to manage the conflict. Several writers specifically suggested the need for the diagnosis of conflict through some formal and informal approaches (Brown, 1979; DuBrin, 1972; Rahim, 2001). Proper diagnosis of the causes and effects of different types of conflict in an organization is important because its underlying causes and effects may not be what they appear on the surface. We also need to know (a) whether an organization has too little, moderate, or too much affective and substantive conflict, and (b) whether the organizational members are appropriately selecting and using the five styles of handling conflict to deal with different situations properly. If an intervention is made without a proper diagnosis of conflict, then there is the probability that a change agent may try to solve a wrong problem. This may lead to Type III error. The management of organizational conflict involves a systematic diagnosis of the problems in order to minimize the Type III error.

The above discussion is consistent with the literature of organization development, which indicates that organizational diagnosis is essential for effective change program (see French & Bell, 1999; Burke, 1994). The management researchers and practitioners have particularly neglected the diagnostic aspect of conflict management. A comprehensive diagnosis involves the measurement of conflict, its sources, and effectiveness, and analysis of relations among them.

Measurement

A comprehensive diagnosis involves these measurements:

1. The amount of substantive and affective conflict at the interpersonal, intragroup, and intergroup levels;

2. The styles of handling interpersonal, intragroup, and intergroup conflicts of the organizational members;

3. The sources of (1) and (2); and

4. Individual, group, and organizational learning and effectiveness.

Analysis

The analysis of data collected above should include:

1. The amount of substantive and affective conflict and the styles of handling conflict classified by departments, units, divisions, etc. and whether they are different from their corresponding national norms.

2. The relationships of the amount of conflict and conflict styles to their sources.

3. The relationships of the amount of conflict and conflict styles to learning and effectiveness.

The results of diagnosis should indicate whether there is any need for and the type of intervention necessary for managing conflict. The results of diagnosis should be discussed preferably by a representative group of managers, who are concerned with the management of conflict, with the help of an outside expert who specializes in conflict research and training. A discussion of the results should enable the managers to identify the problems of conflict, if any, that should be effectively managed.

The above approach may be used to conduct a comprehensive diagnosis of conflict, but not every organization requires such a diagnosis. A management practitioner or consultant should decide when and to what extent a diagnosis is needed for a proper understanding of a conflict problem.

In order to perform a systematic diagnosis of conflict there is need to measure affective and substantive conflicts at the interpersonal, intragroup, and intergroup levels. The instrument developed by Jehn (1994) to measure the affective and substantive conflicts at the group level can be used. The items of this instrument may be altered to measure these conflicts also at the interpersonal and intergroup levels.

Rahim Organizational Conflict Inventory–II (ROCI–II) may be used to measure the styles of handling interpersonal conflict (Rahim, 1983a,b, 2001). This instrument uses a 5–point Likert scale, and the responses to items are averaged to create subscales. A higher score indicates a greater amount of conflict or greater use of a conflict-handling style. The ROCI–II measures Integrating (IN), Obliging (OB), Dominating (DO), Avoiding (AV), and Compromising (CO) styles, which can be used to calculate the Problem Solving (PS) and Bargaining (BA) dimensions (see Figure 3) of the conflict styles of an employee:

$$PS = IN - AV$$
$$BA = DO - OB$$

Since the ROCI–II measures the five styles with a 5–point scale, the subscales for PS and BA dimensions range between $+4$ and -4. A positive value for the PS subscale indicates a party's perception of the extent to which the concerns of both parties are satisfied. A negative value indicates a party's perception of the extent to which the satisfaction of concerns of both the parties is reduced. Whereas a score of $+4$ represents maximum satisfaction of concerns received by both parties, a -4 score represents no satisfaction of concerns received by both parties as a result of the resolution of their conflict.

A value in the BA subscale indicates a party's perception of the ratio of satisfaction of concerns received by self and the other party. A value of $+4$ indicates maximum satisfaction of concerns received by self and no satisfaction of concerns received by the other party. A value of -4 indicates no satisfaction of concerns received by self and maximum satisfaction of concerns received by the other party. The percentile and reference group norms of the five styles of handling interpersonal conflict have been reported elsewhere (Rahim, 2001). These data on norms are important for diagnosis.

A number of studies have shown that cooperative styles, such as integrating, obliging, and compromising are correlated with positive outcomes and non-cooperative styles, such as dominating and avoiding and correlated with negative outcomes (cf. Burke, 1969; Korbanik, Baril, & Watson, 1993; Rahim, Magner, & Shapiro, 2000; Johnson, 1989). Therefore, for managing conflict a positive score on the PS subscale and slightly negative score on the BA subscale are appropriate.

Data collected through the questionnaires should not be the sole basis of a diagnosis. In-depth interviews with the conflicting parties and observation are needed to gain a better understanding of the nature of conflict and the type of intervention needed.

Intervention

A proper diagnosis should indicate whether there is any need for intervention and the type of intervention required. An intervention may be needed if there is too much affective conflict, or too little or too much substantive conflict, and/or the organizational members are not handling their conflict effectively. The national norms of conflict reported by Rahim (2001) could provide some rough guidelines to decide whether an organization has too little or too much of a particular type of conflict. In addition to this, data from in-depth interviews are needed to determine the effectiveness of the styles of handling interpersonal conflict of the organizational members.

There are two basic approaches to intervention in conflict: *process* and *structural* (Rahim & Bonoma, 1979). Beer and Walton (1987) described these as human-process and technostructural approaches of intervention for organization development. A process refers to the sequence of events or activities that are undertaken to bring about some desired outcome. There are certain processes in an organization, such as communication, decision making, leadership, etc. which are necessary for making the social system work. Structure refers to the stable arrangement of task, technological, and other factors so that organizational members can work together effectively. In order to accomplish the goals of an organization, both process and structure require proper integration.

Process. This intervention attempts to improve organizational effectiveness by changing the intensity of affective and substantive conflicts and members' styles of handling interpersonal conflict. The process approach is mainly designed to manage conflict by helping the organizational participants learn how to match the uses of the styles of handling interpersonal conflict with different situations. In other words, this intervention enables the organizational members to make effective uses of the five styles of handling interpersonal conflict depending on the nature of the situations. Changes in the levels of affective and substantive conflicts will require changes in organizational processes, such as culture and leadership. Changes in culture and leadership processes will also support the organizational members' newly acquired skills of conflict management.

Applied behavioral scientists have developed organizational development strategies and techniques for improving the organizational effectiveness (Beer & Walton, 1987; Burke, 1994; French, Bell, & Zawacki, 1989; Golembiewski, 1998),

which may be adapted for managing organizational conflict. French and Bell (1999) defined organization development as a:

> long-term effort, led and supported by top management, to improve an organization's visioning, empowerment, learning, and problem-solving processes, through an ongoing, collaborative management of organization culture—with special emphasis on the culture of intact work teams and other team configurations—using the consultant–facilitator role and the theory and technology of applied behavioral science, including action research. (p. 26)

Traditionally, the conflict resolution theorists emphasized the areas of agreement or commonality existing between conflicting entities by suppression or avoidance of the areas of disagreement. This probably encourages single-loop learning. Organizational development interventions, on the contrary, are designed to help the organizational participants to learn mainly the integrative or collaborative style of behavior through which to find the "real" causes of conflict and arrive at functional solutions. This approach is needed for encouraging double-loop learning. For example, Watkins and Golembiewski (1995) have suggested how organization development theory and practice might change to create collective learning. Organizational development strategies focused on learning are especially useful in managing strategic conflict where integrating style is more appropriate than other styles.

Lectures, videos, cases, and exercises can be used for learning conflict management. Rahim (2001) has reported several cases and exercises on conflict, such as transactional analysis, management of differences, team building, intergroup problem solving, and organizational mirroring, which can be used to train organizational members in conflict management. Argyris (1994) has indicated that cases from managers' own organizations can be used to overcome defensive reactions of the supervisors and employees.

Other intervention techniques can be useful to bring about a change in learning and innovation in an organization. These include cultural assimilator training developed by Fiedler, Mitchell, and Triandis (1971), which can be adapted as part of the reframing process. An organizational consultant can use observation and interview data to construct causal cognitive maps that link ineffective organizational performance to managerial policies and practices. Also role plays along with psychoanalytic reframing techniques, such as generative metaphors, storytelling, and reflective/inquiry skills training are useful in challenging managers and employees to discard their old ways of thinking and to see the relevance of humanistic orientation. Another technique that may be useful for managing strategic conflict is Mitroff and Emshoff's (1979) dialectical inquiry. This is based on the Hegelian dialectic, which involves a process of change through the conflict of opposite forces.

As suggested by French and Bell (1999) learning new behavior requires support from top management (which probably requires transformational leadership) and collaborative organizational culture. Following is a discussion of the nature of leadership and culture that can support effective conflict management.

Leadership. Senge (1990) maintains that a different set of leadership roles will be needed with more emphasis on leaders as teachers, stewards, and designers. These leaders, "articulate a clear and challenging vision for their firm based on their insights into key industry trends that can be the catalyst for redefining the foundation of competition. . . . they focus on developing the people around them, motivating them to want to learn and take greater responsibility. . . . they lead in 'unlearning'—the conscious effort to challenge traditional assumptions about the company and its environment" (Slater, 1995, p. 33). General Electric's former CEO Jack Welch and Chrysler's former CEO Lee Iacoca fit this description of leadership.

To some extent this type of leadership fits Bass's (1985) description of transformational leadership that has three distinct factors: charisma, intellectual stimulation, and individualized consideration. Transformational leaders encourage their subordinates to engage in critical and innovative thinking that are needed for problem solving. These leaders, sometimes referred to as charismatic leaders, use their personal power to inspire employees to new ways of thinking and problem solving. Substantial evidence now exists indicating that transformational leadership (as measured by the Multifactor Leadership Questionnaire; Bass, 1985) is positively associated with unit performance (Bass & Yammarino, 1991; Hater & Bass, 1988; Keller, 1992).

Conflict and tension will go up as more people challenge the old ways of thinking and doing things. As result, the problems are surfaced (problem recognition), which leads to recommendations for change in the process and structure (solving problems), and implementation of recommendations.

Organizational Culture. Conflict management to support organizational learning and long-term effectiveness would require cultures which support experimentation, risk taking, openness, diverse viewpoints, continuous questioning and inquiry, and sharing of information and knowledge. This implies that employees would be encouraged to take responsibility for their errors and not blame others for their mistakes or incompetence.

Such a culture would encourage substantive or task-related conflict and discourages affective or emotional conflict. For example, Honda Corporation encourages its employees to explicitly surface and handle conflict in a constructive way. Honda holds sessions in which employees can openly (but politely) question supervisors and challenge the status quo. "This is not an empty ritual but a vital force in keeping Honda on its toes. It sustains a restless, self-questioning atmosphere that one expects to see in new ventures—yet Honda is into its fourth generation of management. Its founders retired in 1970" (Pascale, 1990, p. 26).

Conflict management requires experimentation and risk taking. Garvin (1993, 1999) indicated that effective programs require an incentive system that encourages risk taking. An organization may have to reward failures; otherwise organizational members will learn to do what is safe and avoid risk-taking behaviors. B. F. Skinner's operant conditioning, which refers to voluntary learning of behavior through positive reinforcement, is particularly appropriate here. This was acknowledged by Schein (1993): "This is the kind of learning symbolized by the use of the carrot instead of the stick, the creation of incentives to do the right thing, and the

immediate rewarding of correct behavior. In this model, errors and wrong behavior are not punished but are ignored so that the learner remains focused on improving and refining correct behavior" (p. 86). Managers need to know how to use reinforcements to elicit conflict management behaviors which are not only associated with effective performance and creativity, but also with risk taking for improving long-term performance.

Kerr (1995) in updating his classic article, "On the Folly of Rewarding A, While Hoping for B," discussed numerous reward systems which are ineffective because they "are fouled up in that the types of behavior rewarded are those which the rewarder is trying to discourage, while the behavior desired is not being rewarded at all" (p. 7). This situation has not changed during the last two decades and is unlikely to change to a significant extent in the future (Dechant & Veiga, 1995, p. 16).

Structural. This intervention attempts to improve the organizational effectiveness by changing the organization's structural design characteristics, which include differentiation and integration mechanisms, hierarchy, procedures, reward system, etc. This approach mainly attempts to manage conflict by altering the perceptions of the intensity of conflict of the organizational members at various levels.

Conflicts, which result from the organization's structural design, can be managed effectively by appropriate change in such design. Evidence indicates that there is no one best design for all organizations. Whether a mechanistic (bureaucratic) or organic (organismic) design is appropriate for an organization or one or more of its subsystems depends on the organization's environment (stable or dynamic). Studies by Lawrence and Lorsch (1967; see also Lawrence, 2001) and Morse and Lorsch (1970) led to the development of the contingency theory of organization design which suggests that mechanistic design is appropriate for departments which respond to the stable environment, but organic design is appropriate for departments which are responsible for unstable environment. The greater the congruence between the design and environment, the more effective is the management of conflict and the greater is the organizational effectiveness. Organizational development interventions generally recommend the adoption of organic–adaptive structures, which encourage effective management of conflict.

Although Duncan and Weiss (1979) indicated more than two decades ago the need for designing organizations for encouraging organizational learning, scholars have not yet provided adequate attention to this issue. Many organizations have responded to competitive pressures by creating flatter, decentralized, and less complex designs than others. The shift is reflected in new organizational forms, such as the modular organization, virtual corporation, and the horizontal organization. One of the recent *Business Week* reports by Byrne (1993, pp. 78–79) discussed seven of the key elements of the horizontal corporation:

1. Organize around process, not task.
2. Flatten hierarchy.
3. Use teams to manage everything.
4. Let customers drive performance.

5. Reward team performance.
6. Maximize supplier and customer contact.
7. Inform and train all employees.

Many organizations have responded to competitive pressures by downsizing. Unfortunately, downsizing does little to alter the single-loop learning and consequently the basic way work gets done in a company. To do that takes a different model, the organic design. This design is flatter, decentralized, and less complex than others. Some of the biggest corporations, such as GE, Xerox, DuPont, and Motorola are moving in this direction. Unfortunately changes in organization design, without corresponding changes in culture, may not alter single-loop learning and consequently the basic ways of doing work.

An organizational consultant may decide to use both process and structural intervention approaches for managing conflict. It should be noted that although process intervention is primarily designed to alter the styles of handling conflict of the organizational members through education and training, such an intervention might also affect their perception of the amount of conflict. On the other hand, the structural intervention is primarily designed to alter the amount of conflict by changing certain structural design characteristics; such an intervention may also affect the styles of handling conflict.

Discussion

The studies of organizational conflict have taken two directions. One group of studies used the measures of the amount of conflict. Implicit in these studies is that affective conflicts may have to be minimized and moderate amounts of substantive conflict may have to be attained by altering the sources of conflict. Other studies have looked at the various styles of handling conflict of the organization members, such as integrating, obliging, dominating, avoiding, and compromising. For conflicts to be managed functionally, one style may be more appropriate than another depending upon the situation.

The management of organizational conflict involves the diagnosis of and intervention in conflict. A proper diagnosis should include the measures of the amount of conflict, the styles of handling interpersonal conflict, sources of conflict, and learning and effectiveness. It should also indicate the relationships of the amount of conflict and conflict-handling styles to their sources and learning and effectiveness.

Intervention is needed if there is too much affective conflict, or too much substantive conflict for routine tasks, or too little or too much substantive conflict for nonroutine tasks, and that conflicts are not handled effectively to deal with different situations. There are two types of intervention: process and structural. The process approach is mainly designed to manage conflict by changing the levels of affective and substantive conflicts and by enabling organizational participants to learn the various styles of handling conflict and their appropriate uses. The structural approach is mainly designed to manage conflict by changing the organization's structural design characteristics. A structural intervention aims mainly at attaining and maintaining a moderate amount of substantive conflict for nonroutine

tasks and reducing the incidence of affective conflict by altering the sources of these conflicts.

In sum, organizational conflict must not necessarily be reduced, suppressed, or eliminated, but managed to enhance organizational learning and effectiveness. The management of conflict at the individual, group, and intergroup levels involves (1) reduction of affective conflict, (2) attainment and maintenance of a moderate amount of substantive conflict for nonroutine tasks at each level, and (3) enabling the organizational participants to learn the various styles of handling interpersonal conflict for dealing with different conflict situations effectively. Effective conflict management should result in organizational learning and effectiveness. The decisions that are made in the process of managing conflict must be ethical and should satisfy the needs and expectations of the relevant stakeholders.

Directions for Future Research

In the area of managing conflict in complex organizations, there are several research challenges. The major ones are listed as follows:

1. Several recent studies investigated the relationships of intragroup affective and substantive conflicts to productivity and satisfaction. We need studies to investigate the relationships of (1) interpersonal affective and substantive conflicts to individual job performance and satisfaction, and (2) of intergroup affective and substantive conflicts to intergroup collaboration and satisfaction.

2. We need to know more about the effects of affective and substantive conflicts on productivity under different conditions of task (e.g., structured vs. unstructured) and technology (unit, mass, continuous process).

3. There are two qualitative studies that discuss how the five styles of handling conflict should be used to deal with different situations effectively (Rahim, 1997; Thomas, 1977). More studies are needed to assess the effectiveness of each style to deal with different situations.

4. There are several antecedents of conflict and styles of handling conflict (for a review see Rahim, 2001). More studies are needed to clearly identify the process and structural factors that influence conflict and conflict-handling styles.

5. There have been several studies on the relationship between personality and the styles of handling interpersonal conflict (for a review see Moberg, 1998; Antonioni, 1998). More studies are needed to establish clear links between personality and styles.

6. There have been some cross-cultural studies on the styles of handling conflict (Ting-Toomey et al., 1991). We need to have more cross-cultural studies on styles and the effects of various types of conflict on job performance and satisfaction. We also need cross-cultural studies on substantive and affective conflicts.

Information generated from these studies would help to improve the management of conflict in contemporary organizations. In other words, the conflict management theory presented in this paper is likely to be refined as relevant studies are published from time to time.

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