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

An Assessment of Causes and consequences of conflict between Management and Employees: The case of National Alcohol and Liquor Factory [NALF]

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BY

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CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Conflict is one feature of the organization life. It is part of the organization. The nature of organization paves way for cause of conflict. First, organizations contain people with different personality, perception and values. Second, those people are assigned to jobs that have contrasting characteristics, impart unequal degrees of status and frequently foster competition. Finally, organization contains people that often have conflicting views and compete for scarce resources they need to achieve their goals. Thus, conflict is an inevitable aspect of social interactions and interdependencies among people in the organizations.

Conflict is any situation in which incompatible goals attitudes, emotions or behaviors lead to disagreement or oppositions between two or more parties (Robbins, 2001: 302).

Conflict is an integral part of human life. Wherever there is interaction, there is conflict. It is also associated with situations that involve contradictory interests between two opposing groups. According to Sudan and Kumar (2003:304) conflict is a disagreement between two or more individuals or groups, with each individual or group trying to gain acceptance of its view or objectives over others.

From this we can understand that conflict is directed against another group and actions are taken to frustrate the other group's action towards goal achievement.

The study focused on assessing causes and consequences on the conflict between management and employees in National Alcohol and Liquor Factory

The National Alcohol and Liquor Factory have been composed of different employees who have complex social systems. They have their own interest, need, feeling and back ground with in the same organizational goal. These personalities lead them to conflict.

Lastly, the main concern of the study was to assess causes and consequences of conflict between employees and management in NALF. In addition, this research was also designed to recommend possible management techniques for organizations particularly for National Alcohol and Liquor Factory.

1.2. Background of the Organization

National Alcohol and Liquor Factory as one entity, is comprised of the following four branch factories namely Akaki Alcohol Distillery, Maichew liquor Factory, Mekanissa Alcohol Distillery and Sebeta Alcohol and liquid factory. The National Alcohol and liquid factory is found in Addis Ababa located in Mexico as a head quarter.

Currently, NALF produces and distributes finished products like pure alcohol, denatured alcohol and liquid to different parts of Ethiopia. The National Alcohol and Liquor Factory is composed of different employees who have complex social systems.

NALF is government development organization. Each branch factory is founded at different period of time and located in different areas. These are: Sebeta Alcohol and liquor factory which is found in Sebeta town. Akaki Alcohol distillery is the second branch factory which was established in 1930 E.C. The other branch factory which was set up in 1949 E.C. is Mekanissa liquor factory. The fourth factory is Maichew liquor Factory which was founded in 1960 E.C and it serves as head office as well as branch factory for National Alcohol and Liquor Factory.

The above four factories were established by different private owners. Due to the change of the government policy from private ownership to command economy, these factories were nationalized during the Derg regime. Since 1969 E.C, they have transferred under the control of the government in the name "National Alcohol and Liquor Factory"

Currently, the factory has provided job opportunity for 650 employees. Among those 470 are permanent employees and the remaining 180 employees are temporary workers. National Alcohol and Liquor Factory is the first Factory which has involved in producing Pure Alcoholic drinks and distributing to different parts of Ethiopia (Year book, 2002 vol.1, No 2).

1.3. Statement of the Problem

National Alcohol and Liquor Factory has organizational members who have different interest and personality shaped by environmental, cultural, social and educational backgrounds under similar organizational goals and objectives. Multiplicity of needs ,interests and leadership problems leads to conflict.

Like any other production factory, NALF faces problems in labor relations (employees and management). There is a gap between the management and employees relationships in this factory. This unhealthy relationship hinders productivity, besides, the time and resource wasted due to conflict.

In addition to this, the management and employees lacks cooperation and they see each other unfriendly, frighten and non legal. This shows that how the degree of the problem is serious and it needs appropriate recommendations for both bodies by assessing the causes and consequences of the conflict between the employees and the management.

The employees' union representative of the factory clearly told that there was no smooth relationship between the management and employees. In addition he made a witness that experienced and well trained professionals left the factory before a year (Year Book, 2002, Vol. 1, No 2, Sep) .

The problems stated above initiated the student researcher to assess the principal causes and consequences the conflict between the employees and management in National Alcohol and Liquor Factory.

1.4. Research Questions

The researcher has suggested possible solutions to both parties by addressing the following critical questions:

1. What are the factors contributing to conflict in the organization?
2. What are the consequences of conflict in the performance of the organization?
3. What are the possible actions that should be taken to avoid the destructive conflict?
4. What is the attitude of employees and management on conflict?
5. Who is responsible for the good working environment?

1.5 Objectives of the Study

1.5.1. General Objective

The general objective of this research was to assess the principal sources of conflict between the management and employees and to clearly identify possible consequences on the performance and productivity of the National Alcohol and Liquor Factory.

1.5.2. Specific Objectives

This research has specific objectives. Accordingly, the specific objectives of the study were:

- Assessing factors contributing to conflict in the organization.
- Investigating the impact of conflict on the performance and productivity of the factory.
- Examining the consequences of the conflict between two parties in the factory.

1.6. Significance of the Study

Since conflict has an impact on organization, this study was assumed to have a prominent role in minimizing conflict to an optimum level. The researcher believes that the study would contribute a lot for stake holders at different level.

- It would help the managers to give more emphasis in handling and minimizing the conflict in the organization
- It would be important for trainers to revise their training methodology and to find out factors that cause conflict in the organization.
- It would give the employees to know how to handle the conflict in the work environment.
- It could also serve as additional references to other researcher and organizations who want to conduct research in the field of conflict.

1.7. Delimitation of the Study

Conflict occurs at different levels of the organization. It is part of our life. The study has focused on assessing causes and consequences of conflict between employees and management in National Alcohol and Liquor Factory. Currently, this factory has three different branches and one head quarter which is located in Addis Ababa, Mexico.

To make the research reliable and comprehensive, it was assumed better to have crucial information from each branch. However, due to many constraints the study was delimited on the head quarter of National Alcohol and Liquor Factory.

1.8. Research Design and Methodology

1.8.1. Research Design

This study employed a descriptive research in order to get background knowledge and better understanding of the organization problem.

1.8.2. Population and Sampling Technique

The total population consists of 260 employees residing in the head quarter of NALF. To carry out this research, the total population was classified using stratified sampling technique based on employees' departments. Since the factory has different departments, the survey gives all departments' equal chance of being considered in the sample.

Hence, in order to make the sample, which contains possible respondents, representative a probability sampling specifically simple random sampling technique was used. Therefore, out of the total population, 78 employees (30% of 260) were considered for the study. From the total sample size the male employees measured in the sample were 49 and the remaining 29 respondents were female. Simple random method was used because of its precision, less costly and simplicity. Another reason of using simple random sampling was that it gives to all population to have equal chance of being selected in the sample and it will help avoiding bias in sample selection. The composition of the sample was indicated in the following table, Table 1.1.

Table 1.1: The sample size per the department

Department	№ of Employees	Sex		Sample size	
		F	M	F	M
Administration	50	6	44	2	13
Finance	15	7	8	2	3
Commercial	68	20	48	6	14
Production	116	60	56	18	17
Quality Assurance & Research	3	1	2	-	1
Planning &Working Improvement	2	1	1	1	-
Internal Audit	3	1	2	-	1
Management Information System (MIS)	3	1	2	-	1
Total	260	97	163	29	49

Source: Secondary data, 2010

1.8.3. Methods of Data Collection

The researcher has used both primary and secondary data. The primary data was collected through questionnaire and interview. The questionnaires were distributed to employees of National Alcohol and Liquor Factory. On the other hand interview was made to management.

1.8.4. Data Analysis Methods

The information which was collected from primary sources has been presented and analyzed by descriptive statistical method using response counting and percentage.

1.9. Limitation of the Study

During the time of the study the researcher faced with the following problems:

- Lack of well organized information in the factory;
- Lack of sufficient time to gather more information; and
- Respondent's transparency in talking about problem under investigation.

1.10. Organization of the Study

This research paper has four chapters. The first chapter was given to introduction which incorporates background of the study background of the organization, statement of the

problem, objectives of the study, research questions, and scope of the study, the research methodology and organization of the study. The review of related literature which deals with the theoretical background of conflict has been incorporated in chapter two. The third chapter consists of the analysis, interpretation and presentation of data. The last chapter includes the summary, conclusion and the recommendations.

CHAPTER TWO
REVIEW OF RELATED LITERATURE

Under the review of this related literature the researcher, incorporates different related concepts and sub topics which is directly or indirectly related with the view of conflict by referring from a secondary sources like books and magazines, to support the theoretical explanation of conflict.

2.1. Definition of Conflict

Different authors and academicians have suggested different meanings of conflict through different times. For example historians, politicians and social scientists have attempted to understand and explain conflict from different perspective.

Conflict has been defined from several stand point in literature Dwivedi (2001: 519) defines conflict as "an expression of hostility, negative attitude, antagonism, misunderstanding, aggression, rivalry, stereotypes, etc." The author further suggests that conflict is a special kind of competition and as a break down, delay and difficulty in the decision making process (Ibid, 2001: 519).

From the above definition, we can understand that conflict involves in such as develop hostility and negative attitude towards individuals, groups' level to military aggression and rivalry among nations at international level.

Robbins (2001: 304) put conflict as a process that beings when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about.

Conflict is also associated with situations that involve contradictory or irreconcilable interests between two opposing groups. Sudan and Kumar (2003: 304) also further explains that conflict is a disagreement between two or more individual or groups, with each individual or group trying to gain acceptance of its view or objective over the others.

From the quoted, we infer that conflict is directed against another group and actions are taken to frustrate the other group's actions towards goal achievement.

Oxford Dictionary (2005: 319) defines conflict as "a situation in which people, groups or countries are involved in a serious disagreements or arguments. It is a situation in which there are opposing ideas opinions, feelings or wishes."

Besides, the above definitions, authors like Robbins (2001: 302) defines conflict as "any situations in which incompatible goals, attitudes emotions or behaviors lead to disagreement or oppositions between two or more parties."

In general, conflict has been defined as process in which an individual purposefully makes a concerted effort to offset the efforts of another individual by some form of blockage that cause frustration to the latter in accomplishing his /her goals or furtherance of his/her interests (Dwivid, 2001: 519). The author also added, conflict is visualized as the active striving for one's preferred goal which is accomplished, precludes the attainment by others of their own preferred goal, thereby causing hostility (Ibid).

2.2. Features of Conflict

Conflict has its own characteristics which make it different from other issues. According to Sudan and Kumar (2003:304) the features of conflict are put as follows:

- Conflict occurs when two or more parties pursue mutually exclusive goals, value or events. It is based on the assumption that there are two or more parties whose interests or goals appear to be incompatible.
- Conflict arises out of two perceptions. If A perceives his/her goals to be incompatible with those B and A has no opportunity to frustrate the goal attainment of B, there is no conflict.
- Conflict refers to deliberate behavior. A deliberately tries to prevent B from attaining his/her (B's) goals. If interference is accidental, there is no conflict.
- Conflict can exist either at the latent or over level, but generally speaking, conflict is a term that is limited to verdicts.
- Conflict is different from competition. In conflict one side sees an opportunity to acquire resources or perform activities. In competition both sides try to win, but neither side actively interferes with the other.

2.3. Transition in Conflict Thought

According to Robbins (2001:384), conflict has passed three historical periods. These are the traditional view, the human relation and the inter-actionist.

For further understanding, the three view of conflict are discussed below.

2.3.1. The Traditional View

This is the oldest and the traditional approach of conflict. This early approach to conflict assumed that all conflicts are bad and harmful.

The existence of conflict was regarded as sign that something was wrong and required correction. According to the traditional view, conflict serves no useful purpose because it distracts manager's attention and saps energy and resources. Thus, conflict should be avoided. In addition, conflict was seen as the result of poor management and the efforts of troublemakers. Through proper management techniques and the removal of troublemakers, conflict could be eliminated and optimal performance could be achieved (Robbins, 2001: 384)

2.3.2. The Human Relation Views

Conflict is natural occurrence in all groups and organizations. It cannot be eliminated, and there are even times conflict may benefit a group performance (Ibid, 2001: 384).

2.3.3. The Inter-actionist View

It is the most recent view. The inter-actionist view argues that conflict is not only a positive force in a group but also it is absolutely necessary for a group to perform efficiently. This view encourages group leaders to maintain minimum level of conflict which is enough to keep the group viable, self-critical, and creative.

2.4. Dynamics of Conflict

It is useful for team leaders and managers to understand the dynamics of conflict. Conflict gives rise to a series of behavior and responses between or among parties. Conflict can be more readily understood if it is considered as dynamic process. Each conflict is made up of a sequence of interlocking conflict episodes (Sekaran, 2004: 203).

As quoted in Sekaran (2004: 2003: 204), Pondy (1967) developed a process model of conflict, which is very helpful in under-standing how it starts and what stages it goes through. Pondy delineates five stages in what he terms a' conflict episode' as follows:

Latent conflict

The stage when certain factors existing in the situation that could become potential conflict inducing forces. For instance, if the resources (men, materials, money) of an organization are limited and the various departments in the system press their demands for them, then these situational factors set the stage for the next conflict. This is the latent conflict stage.

Perceived conflict

It is the stage when one party perceives that other as likely thwart or frustrate his or her goals. For example, the production manager might overhear the sales manger say that without more sales persons the targeted sales figured for the year would not be met. The production manager then perceives the likelihood of a conflict developing between the sales manager and himself, since he also needs recruit machinists and foremen and feels hiring of more sales persons would leave less money to hire the personnel for his department on account of the firm's limited resources. At this stage, the production manager perceives the possibility of a potential conflict developing between the two departments. This is the second stage in the conflict episode.

Felt conflict

It is the third stage when the conflict is not only perceived but actually felt and cognized. In the case just described, when the vice- president schedules a joint meeting of the department heads to discuss resource allocations, the production manager literally 'feels' the impact of the impending confrontation at the ensuing meeting. Both parties, anticipating some powerful exchange of words, would probably event rehearse their statements in their state of anxiety.

Manifest conflict

It is the stage when the two parties engage in behavior that Evokes responses from each other. At this stage, there is a great likelihood of both parties engaging in the pattern of responses. Manifest conflict is the stage of open conformation. It takes the form of conflict-

full behavior, including open aggression, sabotage, apathy, with drawl, letter perfect obedience to rules, etc. All of which reduce organizational effectiveness

Conflict resolution

This stage offers different methods for resolving conflicts least five different approaches could be taken for the purpose. Both parties could:

- Collaborate with each other and find ways to resolve the problems taking a "win-win" perspective.
- Compete for the resources taking a "win-win" approach and with the attitude "let the stronger party win".
- Accommodate the needs of the other by giving up his or her desire.
- Compromise and shares the resources between them or one or both could avoid the conflict.

Conflict aftermath

The aftermath of a conflict may be either positive or negative for the organization depending on how the conflict is resolved. If the conflict is genuinely resolved, it can lead to a more enduring and cooperative relationship between organizational participants; if the conflict is merely suppressed but not resolved, the latent conditions of conflict may be aggravated and explode in more violent and serious forms.

2.5. Types of Conflict

Conflict could be intrapersonal, interpersonal, intergroup, inter-organizational, or between and among nations and each of these could again be substantive or emotional in nature (Sekaran, 2004: 201). For further discussion, Sekaran (2004: 201-202) put the types of conflict as follows:

Intrapersonal conflict

Intrapersonal conflict arises when tension is experienced within the individual when he or she hers to choose from two or more unpleasant choices (avoidance – avoidance or two equally alternative options (approach conflict) or opt for something that has both positive and negative consequences (approach-avoidance conflict) (Sekaran, 2004: 202).

Interpersonal conflict

Interpersonal conflict involves two or more individuals rather that one individual. For example two managers compete for the same promotion, two executives maneuvering for large share of at least two individuals who hold polarized points of view, who are somewhat intolerant of ambiguities. Who ignore delicate shades of gray, and who are quick to jump to conclusions.

Intergroup conflict

Inter group conflicts over authority jurisdiction and resources are exceedingly common every group is in at least partial conflict with every other group it interacts with most of the departments in the organization compete for the allocation of scarce resource and power. They differ in goals, work activities, power and prestige. Intergroup conflict is shown in the differences (Ibid, 2004: 203).

Intra-organizational conflict

Intra-organizational conflict encompasses vertical, horizontal, line staff and role conflict.
Vertical conflict: It refers to that which occurs between individuals different hierarchical levels conflict between the superior a subordinate being an example of such conflicts could occur because of perceived transgression of psychological contract, ineffective communication, selective perceptions, misperceptions incongruence in goals, values, cognition, affect behavior or a variety of other reasons.

Horizontal conflict: It refers to tensions between employees or groups at the same hierarchical level. It occurs because of interdependent among the parties concerned in the work situation and /or the common pooled resources shared for instance, several departments required to share the central departments may be required to share to external resources of a common typists pool and there is likely to produce tensions among them with each inclined to prioritize its own works. Incompatibility of goal and time orientations often results in horizontal conflicts.

Take for example the case of cited production department can minimize costs and the marketing department intention increasing customized product. How the goal of own is

efficiency, and the other customer satisfaction. In such case where there is an incompatibility in the goals of two or more units, conflicts are bound to arise.

Lines staff conflict: refers to conflict arises between members who assist or act in an advisory capacity (staff) and those who have direct responsibility for products, processes and services of the organization. Authority and control issues cause tensions between the two groups. Staff and line manager etc usually have different goal and personality predispositions, and come from different back grounds and orientations.

Role Conflict :Arises because different people in the organization are expected to perform different tasks, and pressure build up when the expectations of the maximum clash in several ways.

1. Intra-sender role conflict: The same boss expects different incompatible behaviors from one person.
2. Inter-sender role conflict: different role sender (bosses) expects the individual to perform different tasks and their expectations and message.
3. Inter role conflict: role requirements associated with membership in one group conflict with those arising from membership in other group.
4. Person role conflict: the role requirements of an individual conflict with the person's moral and ethical values (Sekaran, 2004: 212).

2.6. Source of Conflict in Organization

There are different factors which lead to conflict. According to Mishra (2001: 227) conflict is the outcome of the malfunctioning of an organization such as poor communication, lack of trust, failure of the management to meet the aspirations of employees and soon.

Mc. Shane (2004: 372) has summarized the root causes of conflict as follows:

Incompatible goals: on source of conflict is goal incompatibility. Goal incompatibility occurs when one employee or department's personal or work goals seem to interfere with another person's or department's goal.

Differentiation : Conflict is often caused by different values and beliefs because of unique backgrounds, experiences, or training. Mergers often produce conflict because they bring together people with divergent corporate cultures. Employees fight over the right way to do things because of their unique experiences in the separate companies. Many companies are also experiencing the rising incidence of cross-generation conflict. Generation gaps have always existed, but generational conflict is more common today because employees across age groups work together more than ever before. Younger and older employees have different needs, different expectation, and somewhat different values.

Task Interdependent: Conflict tends to increase with the level of task interdependence. Task interdependence exists when team members must share common inputs to their individual tasks, need to interact in the process of executing their work, receive out comes/such as rewards/ that are partly determined by the performance of others.

Higher the level of task interdependence, the greater the risk of conflict, because there is a greater chance that each side will disrupt or interfere with the other side's goals.

Scare Resource: Scare resource generate conflict because scarcity motivates people to compete with others who also need those resources to achieve their objectives.

Ambiguous Rules: Ambiguous rules- or the complete lack of rules- breed conflict. This occurs because uncertainty increases the risk that one party intends to interfere with the other party's goal. Ambiguity also encourages political tactics. In some cases, employees enter a free- for –all battle to win decisions in their favor. This explains why conflict is more common during mergers and acquisitions employees from both companies have conflicting practices and values, and few rules have developed to minimize the maneuvering for power and resources. When clear rules exist, on the other hand, employees know what to expect from each other because they have agreed to abide by the rules.

Communication Problems: Conflict often occurs due to the lack of opportunity ability, or motivation to communicate effectively. First, when two parties behaviors and anticipate future actions. Unfortunately, Stereotypes to explain patiently, Subjective that emotions can negatively distort the meaning of an opponent's actions, there by escalating

perceptions of conflict. Moreover, without direct interacting the two sides have less empathy for each other.

Second, some people lack necessary skills to communicate in a diplomatic non confrontational manner. When one party communicates its disagreements in an arrogant way, opponents are more likely to heighten their perceptions of the conflict. Arrogant behavior also sends a message that one side intended to be competitive rather than cooperative.

2.7. Constructive and Destructive Conflict

Though conflict is often cast in the role of the Villan, it has long been recognized that conflict is not inherently pathological or destructive. It is very pervasiveness indicates that it has many positive outcomes. Most experts today view conflict as a potentially useful aspect of organizations.

It is said that an organization void of constructive conflict is an organizational void of excitement, diversity and viability conflict prevents stagnation, stimulates interests and curiosity. Conflict it the medium through which problems can be aired and solutions arrived at. It is the root of personal and social change. Conflict provides and adequate plat form where in people can blow off steam, that is, it permits immediate and direct expression of rival claims without conflict, organizations would be only apathetic and stagnant.

2.8. Consequences of Conflict

Conflict has 'positive' as well as' 'negative' consequences on the organization. If the differences are impersonally treated and discussed on a common plat from, the conflict gives positive results. Similarly, if the conflicts are personally taken and become ago, status and interest points of difference, negative results are observed in the organization (Mishra, 2001: 227).

2.8.1. Positive Consequences of Conflict

Most expects today view conflict as potentially useful aspects of organizations. It is said that an organization void of constructive conflict is an organization void of excitement, diversity and viability (Sudan and Kumar: 2003: 306).

According to Sudan and Kumar (2003: 307) the positive outcomes of conflict are presented as follow:

- *Major Stimulant for Change:* Conflict spotlights the problems that demand attention, forces clarification of their nature.
- *Foster Creativity and innovation:* Conflict prevents stagnation; it stimulates interest and curiosity. In an atmosphere of open confrontation people tend to put forward more imaginative solutions to problems. Conflict can help individuals to test their capacities to learn and develop.
- *Cohesion and satisfaction:* Inter- group conflict and competition drives groups closer together.
- *Group think is avoided:* Without strong vocal disagreement, group think could overpower a highly cohesive group, preventing it from making rational decisions based on facts.
- *A minimum level of conflict is optimal:* Conflict is necessary to the organizational life. It is necessary for the internal stability of organizations. The occasional flare up of inter-group conflict serves to the balance power relationships between departments. It also helps individual in reducing accumulated ill-feelings and tensions between them. A "good fight clears air"

2.8.2. Negative Consequences of Conflict

Unlike positive outcomes, the negative outcome of conflict has their own impact on organization performance. Sudan and Kumar (2003:307-308) Put the Negative outcomes of conflict as follow:

Conflict creates streets in people
Conflict exacts its toll on the physical and mental health of the combat ions. Intense conflicts generate feelings of anxiety, guilt, frustration and hostility. The distance between

people increases. In addition, a climate of mistrust and suspicion develops. Discussion replaces cohesion.

Diversion of energy

Conflict diverts group's time and effort. Long term goals begin to suffer as short term problems become more important. Too much energy is drained off in trying to put out the "fires".

Instability and Chaos

Under intense conflicts collaboration across individuals, groups and departments decrease. Tensions will continue to mount up. In addition, conflict leads to communication breakdowns. The normal work-flew is disrupted; the Moral fabric of the group torn apart and the whole system is skewed out of balance.

2.9. Conflict Management

It is not surprising that people normally associate Conflict Management with reducing or removing conflict. Conflict Management isn't necessarily about minimizing conflict, however, it refers to interventions that alter the level and form of conflict in ways that maximize its benefits and minimize its dysfunctional consequences (Mc. Shane, 2004: 374).

The Management within an organization should function in such a way so as to maximize conflict. There may be two approaches for managing organizational conflict: Preventive measures and curative measures (Sudan and Kumar, 2003: 316).

Preventive Measures

In the preventive measures, management tries to create an environment where dysfunctional conflicts do not take place. Conflict is not primary as a result of individual neurotic traits but arises under given conditions even when people involved are well adjusted. Since situational variable induce conflict, it is possible to modify situations so as to avoid conflict. However, there may not be any specific standard of situations in which conflict will not grow. There might be certain positive programs and actions that might reasonably lead to avoidance conflict in the organization. The development of effective leadership, participative decision making , effective two-way communication with proper

emphasis on upward communications improvement in interpersonal relationship, provision for facilities and opportunities to develop informal groups may be some of the ways to which management should pay special attention.

Curative Measures

The curative measures include the "resolution of conflicts" when they take place and become dysfunctional in the organization.

 Sudan and Kumar (2003:316) Summarizes the approaches for managing organizational conflict as follows:

Establishing Common Goals

Most of the conflicts assume that incompatible goals are a necessary antecedent for the development of conflict. It means that the existence of super ordinate goals. Common goals will reduce the occurrence of dysfunctional conflicts. This is true particularly in the case of conflict among groups and between individuals and organization. Mc. Shane in observes that the fundamental problems of inter group competition is the conflict of goals and breakdown of interaction between the groups. This breakdown in turn permits and stimulates perceptual distortion and mutual negative stereotyping. The basic strategy of reducing conflict, therefore, is to find goals upon which groups can agree and to re-establish valid communication between the groups. (Sudan and Kumar, 2003:316-317)

Changing Structural Arrangement

In some cases, the change in organization structure or some part of it can reduce dysfunctional conflicts. Kata Z. et al have given some more suggestions in this respect. They observe that conflicts can be reduced by decentralization, restructuring to remove obvious, differentials in status symbols between hierarchical interest groups, development of cycles of work, with opportunity to employees to complete tasks and sharing in organizational rewards. (Sudan and Kumar, 2003: 317)

According to Sudan and Kumar (2003: 317), the change in organization structure can be used in the following ways:

Reduction in Interdependence

The basic reason in the intergroup conflict is the interdependence among them. The less such interdependence, the less will be the amount of conflict among them the more distinguished three types of interdependence pooled. According to conflict modes of latter two relationships that is, more the interdependence cannot altogether be avoided, however, instead of separating units organizationally, they can be separated physically. Physically separating the conflict groups has the distance advantage of preventing more damage and preventing the creating of further rational for fighting. However, this fact is may require continuous surveillance to keep the parties separate, especially if tempers are hot and energy levels high. The physical separation, however, is not a permanent measure for managing conflict

Reduction in Shared Resources

When two or more units are required to share resources, particularly scare ones, the potential for conflict increases the management of conflict suggests reducing such sharing on techniques for reducing such sharing is the increase in such resources so that each unit is independent insuring them. As such, measuring may be adopted for their optimum allocation.

Exchange of Personal

Personnel of the conflicting groups may be exchanged for a specific period as a way to reducing and managing conflict. An exchange of people is very similar to role reversal, which is aimed at greater understanding between people by forcing each to present and defend the other's position. In a research study, it was found that the exchange of people program was effective at reducing conflict and speeding agreement.

Creation of Special Integrators

To resolve conflict, organizations may create provisions for the appointment of special integrators who may manager the inter dependence of various groups so that unresolved matters can be solved through them.

Reference of Superior's Authority

Conflicts may be resolved through the hierarchy. If resolutions cannot be attained by two organizational members, they may take the issue to a common superior who resolves the conflict by making a decision. Such a decision is usually accepted by organizational members because of the recognized superior authority of high-ranking individual.

Conflict Resolution Techniques

The various measures undoubtedly help in reducing the occurrences of conflict in the organization but they cannot guarantee the complete absence of conflicts. As such, when ever conflicts arise, these have to be resolved by some specific actions, known as "conflict–resolution actions".

As quoted in Sudan and Kumar (2003: 318-319), Ruble and Thomas have identified five types of conflict resolutions actions:

Problem–Solving

The problem solving techniques is considered to be the most positive technique available for conflict resolution because it emphasizes the attaining of the common interests of both conflicting parties. In mutual problem- solving process, the conflicting parties must come together with the responsibilities of solving the mutual problems that faces rather than merely finding a way to accommodate their different perspectives. Questions of who is right or wrong is generally avoided, but sharing and communicating are required in order to find areas of common interest.

Avoidance

Another method of overcoming conflict is its avoidance, that is, parties to the conflict may either withdraw from the conflict the incompatibility. Withdrawal may be observed when one party leaves the field of conflict so that other party may will by being in sole possession of the goal in disputes. Alternatively, the goal may be redefined through mutual withdrawal from the field and non- overlapping goal priorities.

Smoothing

It is the process of playing down differences that exists between individuals and groups while emphasizing common interests. Differences are supervised and similarities are accentuated.

Compromise

It is a well accepted technique for resolving conflict yielding neither a definite loser nor a distinct winner. There is a third- party interventions, plus internal compromise between conflicting parties through both total- group and representative negotiation and voting. A compromise may be achieved either through the intervention of third party, which is known as mediation, or without the intervention of the external parties known as bargaining.

Confrontation

The various actions enumerated above may not bring resolution of conflict between parties if they take very rigid stand. In such case, the parties are left to confrontation to settle the conflict themselves. This strategy may result into win- lose situations. The parties concerned may settle their scope by applying strength against of each other.

2.10. Third-Party Conflict Resolution

Third- party conflict resolution is any attempt by a relatively "neutral person" to help parties resolve their differences. There are generally three types of third- party dispute resolution activities: Arbitration, Inquisition, and Mediation. (Mc. Shane, 2004: 390)

Arbitration

Arbitrators have high control over the final decisions but low control over the process. Executives engage in this strategy by following previously agreed rules of due process, listening to arguments from the disputes employees, and making a binding decision. Arbitration is applied as the final stage of grievances by unionized employees.

Inquisition

Inquisitors control a discussion about the conflict. Like arbitrators, they have high decision control because they choose the form of conflict resolution. However, they also have high

process control because they choose which information to examine, lead to examine it, and generally decide how the conflict resolution process shall be handled.

Mediation

Mediators have high control over the intervention process. In fact, their main purpose is to manage the process and context of interaction between the disputing parties. However, the parties make the final decision about how to resolve their differences. Thus, mediators have little or no control over the conflict resolution decision.

CHAPTER THREE

DATA PRESENTATION, ANALYSIS AND INTERPRETATIONS

Questionnaires were distributed for collecting primary data from Employees of National Alcohol and Liquor Factory. The respondent's were randomly selected from eight departments proportionate. Out of the total 78 questionnaires, 60 (23% of 260) were correctly filled and returned. As a result, this presentation and analysis is carried out by taking 60 respondents in to consideration.

3.1. Background Characteristics of Respondents

In this section general background information about respondents is presented including sex, age, marital status, educational background and their years of stay in the organization. The purpose of presenting the profile of respondents is to examine later if there is any relation between these personal characteristics and conflict.

The following table presents the general characterize of respondents.

Table 3.1: Respondents Background Information

Item	Responses	Frequency of Responses [n = 60]	
		№.	**%**
Sex	Male	39	65
	Female	21	35
Total		**60**	**100%**
Age	15-19	5	8.3
	20-24	10	16.7
	25-29	15	25
	30-34	20	33.3
	35 and above	10	16.7
Total		**60**	**100 %**

Table 3.1: Continued

Item	Responses	Frequency of Responses	
		№.	**%**
Marital status	Single	10	16.7
	Married	25	41.7
	Divorced	10	16.7
	Cohabited	6	10
	Separated	5	8.3
	widowed	4	6.7
Total		**60**	**100%**
Educational background	Grade 10 or 12 complete	10	16.7
	Certificate	15	25
	Diploma	25	41.7
	Degree	10	16.7
	other	-	-
Total		**60**	**100%**
Year of stay	1-4	8	13.3
	5-9	17	28.3
	10-14	20	33.3
	15-19	10	16.7
	20 And above	5	8.3
Total		**60**	**100%**

Source: Primary data, 2010

According to Table 3.1, item 1 from top to bottom, out of the total respondents 39 (65%) are males and the remaining 21 (35%) are females. This indicates that there are more males employees than females in National Alcohol and liquor factory.

Item 2 of Table 3.1 depicts the age distribution of respondents. Accordingly, 20 (33.5%) are between 30 and 34 years old, 15 (25%) are between 25 and 29 years old.

Item 3 of the same table represents the marital status of employees who work in National Alcohol and Liquor Factory. Accordingly, 10 (16.7%) are single and 25 (41.7%) are married. On the other hand, those who are cohabited and divorced are 10% and 16.7% respectively. There are also separated and widowed respondents. Based on the given information in item 3 of the same table majority of the respondents which is 41.7% are married.

In item 4 of Table 3.1, shows the educational background of respondents. The data indicates that 10 (16.7%) respondents are grade 10 or 12 complete, 15 (25%) have certificate. The remaining 25 (41.7%) and 10 (16.7%) are diploma and degree holders respectively. According to the above information the majority of the work force which is 25 (41.7%) are diploma holders.

In Table 3.1, the last item indicates the work experience of respondents in this factory. Thus, 8 (13.3%) respondents have between 1 and 4 years experience, 17 (28.3%) have between 5 and 9 years stay in the factory, 20 (33.3%) have between 10 and 14 years stay. The remaining respondents which are 10 (16.7%) have between 15 and 19 years of work experience in National Alcohol and Liquor Factory. According to this information the majorities of employees (86.7%) have 5 and above years stay in the organization.

3.2. Analysis of Findings Obtained from Closed Ended Questions

The researcher asked employees of National Alcohol and liquor Factory whether they have observed any conflict between the management and employees. Their response is expressed as follows:

Table 3.2: Prevalence of Conflicts in the new environment

Item	Responses	Frequency of Responses	
		№.	%
Have you observed any conflict between management and employees?	Yes	40	66.7
	No	15	25
	No response	5	8.3
Total		**60**	**100 o/o**

Source: Primary data, 2010

According to their response, majority of the respondents 40 (66.7%) confirmed that they have observed conflict between the management and employees in their work place. On the other hand 15(25%) of respondents replied that they haven't observed any conflict between the management and employees. The remaining 5(8.3%) of the respondents didn't replied whether they have observed conflict between the management and employees.

Table 3.3: Frequency of conflict

Item	Responses	Frequency of Responses	
		Nº.	%
If your answer for question 6 is Yes, how often does conflict occur in NALF?	Very frequently	10	16.7
	Frequently	30	50
	Rarely	20	33.3
	No response	-	-
Total		60	100%

Source: Primary data, 2010

According the information obtained from the respondents, the frequency of conflict occurrences in National Alcohol and Liquor Factory is analyzed as follows. Accordingly, 30 (50%) of the respondents replied that conflict occurs frequently,10 (16.7%) confirmed that there is a very frequent occurrence of conflict. On the other hand, the remaining 20 (33.3%) employees replied that conflict doesn't occur frequently but it happens rarely. Among the respondents, no one replied that conflict does not occur. From this one can imagine that conflict in National Alcohol and Liquor Factory is above the optimum level. This indicates that it has strong impact on the performance of the organization.

Table 3.4: Attitudes towards conflict

Item	Responses	Frequency of Responses	
		Nº.	%
What is your attitude towards conflict?	Functional (positive)	3	5
	Dysfunctional (Negative)	30	50
	Both	27	45

	No response	-	-
	Total	**60**	**100%**

Both employees and management have their own attitudes on conflict .The attitude of employees is put as shown above:

As it is shown in Table 3.4, majority of the respondents which 30 (50%) replied that conflict is dysfunctional. They have expressed a negative attitude towards conflict which is often called destructive. On the other hand 27 (45%) of the respondents confirmed that it is both functional and dysfunctional. Only few respondents which is 3 (5%) said that conflict is functional.

This shows that the employees' attitude towards conflict is acceptable. They feel it as both functional and dysfunctional. If conflict is task related, it is functional and acceptable. But conflict happened from emotions is dysfunctional and have a negative impact on the performance of the factory.

Table 3.5: Types of conflict

Item	Responses	Frequency of Responses	
		№.	**%**
What are the common types of conflict happened in your factory?	Intera personal (Within one self)	8	13.3
	Inter personal (b/n employees)	37	61.7
	Department [between groups]	12	20
	between organization	3	5
Total		**60**	**100%**

There are different types of conflicts which occur in different place, time and work environment. To investigate this in factory the researcher asked; what are the common types of conflict happened in NALF? Their response is put as shown above:

As it is shown in Table 3.5, many of the respondents 37 (61.7%) confirmed that interpersonal conflict which occurs among employees or between employees and

management are the common types of conflict in their factory. The remaining respondent answered that there is individual, groups and as well as organization conflict to some degree. As we obtained from the research, interpersonal conflict is the common types of conflict happened in the factory. The management should pay the necessary possible attention towards interpersonal conflict.

In modern view, if conflict is handled properly it is functional. As an extension of the modern view of conflict, the absence of conflict in an organization does not signify that the organization is healthy. Respondent reveled their views explain that absence conflict in an organization is not guarantee for its health. And also most experts today view conflict as a potentially useful aspect of organizations. It is said that an organization void of functional conflict is an organization void of excitement, diversity and viability. So that the views of respondents are asked about the positive consequences of conflict and their responses are summarized as follows.

Table 3.6: Functionality of conflict

Item	Responses	Frequency of Responses	
		№.	**%**
If you say conflict is constructive (useful), which of the following positive outcomes have you observed in your work place?	Lead to new idea	13	21.7
	Motivate changes	10	16.7
	Fosters creativity and innovation	2	3.3
	Make efforts in one direction	4	6.7
	Improves productivity of factory	8	13.3
	helps in clear decision making	23	38.3
Total		**60**	**100**

Source: Primary data, 2010

According to Table 3.6, 23 (38.3%) of respondents point out that conflict helps in clear decision making process,13 (21.7%) respondents replied that conflict leads to new idea. On the other hand, conflict promotes organizational vitality, motivates changes, and stimulates creativity and innovations are also functional consequences of conflicts in the factory.

In all most all organizations there are consequences of conflict which are destructive. Concerning the dysfunctional of conflict, the views of the respondents are put as follows.

Table 3.7: Dysfunctional consequences of conflict

Item	Responses	Frequency of Responses	
		No.	%
If you say conflict is destructive, which of the following negative outcomes of conflict are common in your factory?	Diverts energy from work	9	15
	Increase hostility and aggressiveness	13	21.7
	customers dissatisfaction	10	16.7
	wastes resources	6	10
	employee turnover	15	25
	less motivation of work	7	11.7
Total		**60**	**100%**

Source: Primary data, 2010

As it can be understood from Table 3.7, employee's turnover is the major consequence according to 15 (25%) of respondents and increasing the degree of hostility and aggressiveness are responded by 13 (21%) of the respondents. On the other hand diverting energy from work place, customer dissatisfaction, wastage of resources and less motivation of work are also consequences the negative outcomes of conflict mentioned by the respondents.

From the result, we can infer that NALF faces employee's turnover because of conflicts. However, according to all the previous data the factory still doesn't give much emphasis. That is why conflict becomes somehow dysfunctional in the factory.

Table 3.8: Negative influence of conflict on organizational performance

Item	Responses	Frequency of Responses	
		№.	%
Do you think conflict hinders the performance of NALF?	Yes	45	75
	No	10	16.7
	No response	5	8.3
Total		**60**	**100%**

Source: Primary data, 2010

Conflict may have negative influence on organizational performance. Regarding this the researcher asked the respondents and put the result as follows.

Conflict affects the organizational performance as pointed out by 45 (75%) of the respondents and the other 10 (16.7%) of the respondents replied conflict doesn't affect the factory's performance. Therefore it is possible to deduce that conflict in the factory decreases the performance of employees.

In organization, interpersonal conflict happens, between different groups of the work force. It may be between employees themselves, management and employees and groups themselves.

Table 3.9: Inter personal conflict

Item	Responses	Frequency of Responses	
		№.	%
Have you been in conflict with someone in your work place?	Yes	40	66.7
	No	15	25
	No response	5	8.3
Total		**60**	**100%**

Source: Primary data, 2010

According to table 3.9 , 40(66.7%) of the respondents replied that they have been in conflict with some one in their work place . on the other hand 15(25%) replied that they haven't

been in conflict with some one in their work place. The remaining 5(8.3%) of the respondents didn't replied .

When the employees engage in conflict; there will be a psychological impact on them. They will be tensioned, stressed and feel discomfort. Concerning the psychological impact of conflict, the response of employees is put as follows.

Table 3.10: Psychological impact of conflict

Item	Responses	Frequency of Responses	
		№.	%
If your answer for question 16 is yes, how do you describe the psychological impact of conflict?	Very high	13	21.7
	High	21	35
	Moderate	10	16.7
	Low	7	11.7
	Very low	-	-
Total		**60**	**100%**

Source: Primary data, 2010

Respondents were asked to rate the psychological impact of conflict in their organization. As the above table shows 21 (35%) respondents implied that conflict has high psychological impact and that conflict has a high psychological impact and 13 (21.7%) said that the psychological impact of conflict is very high. The remaining 10 (16.7%) and 7 (11.7%) replied that it has both moderate and low psychological impact respectively. According to Dwevdi too much conflict influences the physical and mental health of employees. Intense conflicts generate feeling of anxiety, guilt, frustration and hostility. Because of this employees are not doing their job freely and properly.

The respondents were asked to indicate personal factors which lead to conflict. Their responses are summarized and put as follows:

Table 3.11: Personal sources of conflict

Item	Responses	Frequency of Responses	
		№.	**%**
What personal factors are the causes for conflict?	Lack of knowledge	15	25
	Unshared perceptions Emotions	6	10
	Personality difference	14	23.3
	among workers	10	16.7
	Autocratic behavior	8	13.3
	Less understanding of behavior	7	11.7
Total		**60**	**100%**

Regarding the personal factors, majority of respondents which is 15 (25%) confirmed that lack of knowledge is the major sources of conflict. In addition to this emotion is another source of conflict which is given by 14(23.3%) of respondents. On the other hand, unshared perceptions, less understanding of behavior, autocratic behavior and personality difference among workers are personal factors which cause conflict.

Respondents were asked about the sources of conflict related with the communication system of the factory. Their response is organized as follows.

Table 3.12: Communication related sources of conflict

Item	Responses	Frequency of Responses	
		№.	%
In related to the communication system of the factory which factors are inevitable to conflict?	Late delivery of information	12	20
	Distorted message	16	26.7
	Impolite way of communication	5	8.3
	Use of jargons	1	1.7
	Lack of communication skill	4	6.7
	Errors in perception	22	36.7
	Information linkage	-	-
Total		**60**	**100%**

Source: Primary data, 2010

As it can be seen from the table, Table 3.12, majority of the respondents, 22 (36.7%) confirmed that errors in perception are the main communication related sources of conflict. In addition 16 (26.7%) of respondents replied that distorted message is also another inevitable factor to conflict.

Late delivery of information, impolite way of communication, use of jargons and lack of communication skill are also communication related sources of conflict that occur in National Alcohol and Liquor Factory.

As we understand from the data, it is possible to deduce that there is a serious communication problem between the management and employees within the factory.

Table 3.13: Structural sources of conflict

Item	Responses	Frequency of Responses	
		№.	%
Which of the following structural factors are sources of conflict in NALF?	Self absorbed of work	13	21.7
	Goal difference	3	5
	less degree of work growth	8	13.3
	Authority relationship	5	8.3
	Scarcity of resources	4	6.7
	Unclear line of responsibility	27	45
Total		**60**	**100%**

Source: Primary data, 2010

Conflict arises from different structural related sources. Respondents replied their own responses. Their responses are organized as shown above on table 3.13

As we see from the Table 3.13 majority of respondents, 27 (45%) confirmed that there is unclear line of responsibility. In addition, self-absorbed of work (thinking of only for their own work) is the main structure sources of conflict in the factory. On the other hand, 8 (13.3%) of the respondents replied that less degree of work growth is also another sources of structural factors.

Table 3.14: Areas in which interpersonal conflict occurs

Item	Responses	Frequency of Responses	
		№.	%
Most of the time with	With management	38	63.3

whom interpersonal	with subordinates	12	20
conflict occurs in your	With people in equal status	10	16.7
factory?			
Total		**60**	**100%**

Source: Primary data, 2010

Interpersonal conflict is one type of conflict which occurs between the workforces in the organization. The researcher asked the respondents with whom interpersonal conflict occurs in NALF.

As it is shown in Table 3.14, the management members [managers, supervisors, team leaders,) are the common ones who are in conflict with employees in the factory according to 38 (63.3%) of the respondents. 12 (20%) of the respondents confirmed that conflicts with subordinates are common and the 10 (16.7%) of the respondents replied conflict with people in equal status is common.

Based on the given table, it is likely to say that there is a big structural, personal and communication barriers between the management and employees which invite them to disagreement.

The management as a responsible body in the organization responds to issues related to their organization.

Table 3.15: The response of the management

Item	Responses	Frequency of Responses	
		№.	**%**
What is the response of the management when conflict occurs?	Highly concerned	5	8.3
	Concerned	11	18.3
	Give little attention	18	30
	None concerned	31	51.7
Total		**60**	**100%**

Source: Primary data, 2010

As one can see from the Table 3.15, 31 (51.7%) of respondents replied that the management is none concerned when conflict occurs and 18 (30%) respondent confirmed that the management give little attention to conflict occurred. On the other hand, 11 (18.3%) of respondents said that the management are concerned when conflict occurs. As we infer from table the management are not highly concerned when conflict occurs.

In any working conditions, if there a suitable area and atmosphere to discuss problems happen in the workplace. The work force will satisfy inundation the organization will have a good employee – management relation overall the organization will be productive.

Table 3.16: Free conditions to discuss problems

Item	Responses	Frequency of Responses	
		Nº.	%
Is there any provided condition that enables employees to discuss about their problems freely?	Yes	15	25
	No	40	66.7
	No response	5	8.3
Total		60	100%

Source: Primary data, 2010

Majority of the respondents 40(66.7%) confirmed that there is no any provided condition which enables employees to discuss about their problems feely and the management don't encourage employees to discuss their problems freely. On the other hand, 15(25%) of the respondent replied that there is a free conditions to discuss problems and the management encourages employees to discuss their problems freely. This shows that employees don't fully and freely express their feelings.

A remedial timely solution for conflict will benefit the organization before it reaches at climax level which is destructive to the organization.

Table 3.17: Remedial timely actions

Item	Responses	Frequency of Responses	
		Nº.	%

Do you get satisfactory solution for conflict at appropriate time?	Yes	10	16.7
	Partially	15	25
	No	35	58.3
	No response	-	-
Total		**60**	**100%**

Source: Primary data, 2010

As shown on the Table 3.17, the majority of the respondent 35(58%) confirmed that they don't get satisfactory and the right remedy at the right time from the management.15 (25%) of the employees respondent replied that they practically get a satisfactory solution at the right time. On the contrary, 10 (16.7%) of the respondents agree on, they get a timely and satisfactory solution at the right time.

As we understand from the majority of respondents, the management does not give a satisfactory solution at appropriate time when conflict happens.

Training is one way through which employees and management are aware about conflict and conflict management in the workplace. Regarding conflict whether employees have taken training or not, their response is shown below.

Table 3.18: Training on conflict and conflict management

Item	Responses	Frequency of Responses	
		Nº.	%
Have you taken training on conflict and conflict management in National Alcohol and Liquor Factory?	Yes	10	16.7
	No	50	83.3
	No response	-	-
Total		**60**	**100%**

Source: Primary data, 2010

As it is shown in Table 3.18, majority of respondents which is 50 (83%) confirmed that they have not taken training entitled conflict and conflict management. The remaining 10

(16.7%) of respondents replied that they have taken training on conflict and conflict management. None of the respondents replied no response.

Based on the majority respondent which is 50 (83%), we can say that most of the employees have not taken training on conflict and conflict management.

3.3. Summary of Open Ended Questions in the Study

The summary of responses given by the respondent to open ended question included In the questionnaire is presented below.

The researcher asked the respondents why they replied conflict is positive and to explain their rational reasons accordingly their response is organized as follow:

- A minimum level of conflict is optional: conflict is necessary to the organization life. It is necessary for the internal stability of organizations. It also helps individuals in deducing accumulated ill-feelings and tensions between them. A "good fight clears air".
- Cohesion and satisfaction: inter- group conflict and competition drives groups closer together
- Drives for change: conflicts spotlight the problems that demand attention.
- Fosters creativity and innovation: conflict prevents stagnation it stimulates interest curiosity. In an atmosphere of open confrontation people tend to put forward more imaginative solutions to problems.

Employees were asked to explain why they have a negative attitude towards conflict. They expressed their responses as follows:

- Conflict leads to communication breakdowns. The normal work flow is disturbed.
- It reduces the performance and productivity of the organization

Respondents were asked whether conflict hinders the performance of National Alcohol and Liquor Factory. According to75% of respondents, they confirmed that conflict hinders the performance of the organization. Their reason is put as follows:

- Conflict reduces the performance and productizing of the organization.
- It wastes time and energy of the employees

- It reduces the moral of the employees. This has an impact on the performance of the organization

According to the response obtained from respondents, the sources of conflict are the following:
- Lack of good communication with subordinates and lower level of employees
- Using old leadership styles
- Distrust between management and employees
- Lack of incentive, appreciation and recognition for hard and extra work done by employees.
- Lack of capable leaders who can understand, initiate, listen employees and give quick solutions to their problems.
- Less degree of work growth.
- Failure to exercise collective agreement
- Absence of clear training on conflict and conflict management

On the other hand, the researcher asked respondents to explain the negative consequences of conflict. Accordingly, their response is organized as follows:
- Wastes time and energy
- Leads to communication breakdown
- Creates a climate of mistrust and suspicion
- Less motivation of work,
- Customer dissatisfaction

Finally, employees were asked to give their possible suggestions how to minimize conflict at workplace. Accordingly, it is summarized as it is presented below:
- Identify the sources of conflict clearly.
- Making the bottom line employees participant in decision making and management system of the organization rather than imposing what is decided.
- Creating equal opportunity of self development to all employees
- The rules and policies should be revised
- The management must be transformational managers.
- Discussion forum should be set

- Empowering employees and creating conducive working environment.
- Implementing collective agreement properly.
- Preparing training especially on the issue of conflict.

3.4. Analysis of Interview Questions

The summary of an interview conducted with the personnel and Training Head of National Alcohol and Liquor Factory is presented as follows:

1. What does mean conflict?

   According to personnel and training head, conflict is expressed as follows

   - Conflict is deviation from the normal situation..
   - Conflict is the disagreement between two forces. If we take NALF, the disagreement between employees and the management can be taken as conflict.
   - Conflict is also understood as the rivalry between two contrary forces that have different interest and goal.

2. Do you think conflict exists in National Alcohol and Liquor Factory? If yes, with whom the conflict occurs?

   - Yes, there had been conflict between Employees and the management before three years in the year 1999 E.C. The conflict was very serious. It had been managed by the court. Since then, the conflict has been minimized and is coming to the minimal level.

3. Do you think the management has a smooth relationship with employees of NALF? If you say no, briefly discuss why?

   Concerning the relationship of the management with employees ,the head replied as follows.

   - Of course yes. I personally believe that the management has a smooth relationship with employees I asked the head why he said "of course yes". why you are in doubt to say 'yes' during our interview. The personnel and Training Head argued that it is difficult to reassure completely, there is no a perfect relationship. There are some weaknesses on the management side to be improved like preparing a free discussion with the work force. Lastly, as a head he still believes that there are

symptoms which show the presence of smooth relationship between employees and management of National Alcohol and Liquor Factory.

4. Do you think managing conflict is difficult? If so why?

   Regarding to managing conflict, the head expressed his opinion like this;

   - Managing conflict is not such a difficult task. It does not mean that it is easy to handle but it requires know how, experiences and patience. He added that, nothing is impossible, what matters is our view. If you have an optimistic view, you can handle but if you have a pessimistic view, it can't handle properly.

5. What do you think the source of conflict in the factor?

   Regarding to the sources of conflict, the personnel and Training Head mentioned as follows:

   - Poor management: management plays a key role in an organization. If the management of the organization of is strong enough, democratic, and follow a participatory decision making, the organization will be fretful. On the contrary, if there is poor management who doesn't have an eagle eye, condition will be worse. The presence of poor management implies the absence of communication, lack of authority and responsibility. Those turn by turn Leeds to disagreement between the world and the workforce and the management letter on it seeds conflict.
   - Less degree of work growth: Nature is in a state of dynamic change .Nothing is static; human being needed change in their life. Employees as a human being are very curious; they need promotion like interims of salary, in terms of education and position. If these are furnisher the probability of happening conflict is less, however, if there is less degree of worth growth like no promotion, no salary increment and related benefit, these leads into conflict.
   - Self absorbed of work: According the head, some employees are highly concerned on their private business; they don't care off what they have assigned to accomplish. This has an impact on the performance of the organization latter on, conflict happens between employees and the management due to poor responsibility.

- Communication problem: conflict often occurs due to lack of opportunity, ability or motivation to communicate effectively. Without direct interacting the two sides have less empty for each other.
- Errors in perception: when the majority of the work forces wrongly perceive new rules, polices and programmers which are designed by the management, conflict will happen. Haring a wrong perception like these rules will layoff the employees or does not benefit the employees will invite conflict.

6. What is your attitude towards conflict?

According to an interview conducted with the personnel and training head his attitude towards conflict is put as follow.

- The head stated his view, "many scholars and academicians believe that conflict is both functional and dysfunctional. But I personally don't agree on their view. I agree that conflict is destructive. He added that both the management and employees don't benefit from conflict, so conflict is destructive and should be avoided." He believes in traditional view of conflict which conflict is destructive and should be avoided.

7. Could you mention some of the outcomes of conflict?

Regarding to the outcomes of conflict, the head explains

- Diverts energy: conflict diverts time and effort cons term goals begin to suffer as short term problems become more important too much energy is drained off in trying to put out the fines".
- Poor in performance and productivity: if the conflict is very serious, it reduces the performance as well as the productivity of the organization. According to the personnel and training head of the factory, due to the conflict which happened, the Akaki Kalti branch has become dysfunctional.
- Increase hostility and aggressiveness: If the conflict is at climax, it will seed hostility among the workforce.
- Employee's turnover: Due to the absence of a stable condition and the presence of turmoil, the work forces are disturbed and upset a lot. It this condition continues, it will result employees turnover. This directly or indirectly has an impact on the performance of the organization.

- Customer dissatisfaction: If there is conflict, much of the times focus on how to solve it. This leads less attention to customers. This indirectly creates dissatisfaction on the customers.
- Less motivation of work conflict reduces the motivation of the work force. If the conflict happens frequently, it will result in lack of motive to do their job properly.
- Reduction of the work force lay off the head stressed on the impact of conflict in lay off. He added due to the conflict happened between the employees and the management, the Akaki-Kalti branch has been closed. Employees who had been working there, made to layoff and few of them merged with other branch of the factory.

8. Have you ever taken any formal training on conflict and conflict management?
   - Yes, I have taken training. The training was not necessarily focus on conflict and conflict management at the work place. He added few members of the management in NALF have taken a professional training which is not related to "conflict" and its management. The researcher also asked whether many of the employees have taken training or not. The responded only few employees who are randomly selected have taken but much of the workforce haven't taken training on conflict and conflict management yet.

9. What possible suggestion do you recommend to minimize conflict at work place?
   The personal and training head of National Alcohol and Liquor Factory recommends the following points to minimize conflict at workplace.
   - *Addressing a proper communication*: The management should address a clear line of communication with employees it is the management responsibility to set a clear discussion, debate, and to prepare a panel discussion and to let employees to fell a sense of belongings and to select the positive way than solving their problems by conflict.
   - *Implementing a benefit package*: Employees who deserve a promotion should set benefit without any prior condition. In addition if any employee deserves another merit, the management should give focus.
   - *Participatory decision*: Most of the decisions are made of management. If the management set a bilateral decision making opportunities, both the employees and

the management will be beneficiary. They feel a sense of belongingness to the organization. That means conflict will be minimized if the employees have been given a chance to work with the management.

- *Implementing the labor law*: If the management exercises the rules, policies and programs designed by the country's labor law, with how any discrimination, there will be peace between the employees and the management.

- *Preparing training on conflict and conflict management*: If the majority of the work force is well aware of the causes and consequences of conflict, the opportunity of happening conflict will be reduced. As we know training refreshes and motivates the workforce for change.

CHAPTER FOUR
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Chapter four summarizes the main findings of the study and it forwards possible recommendations based on conclusions.

4.1. Summary of the Findings

The main concern of the study was to assess and analyses the principle causes and consequence of the conflict between employees and management in National Alcohol and Liquor Factory. In order to carry out the study, related literatures were reviewed from different books. In addition, to get relevant information questionnaires were distributed to selected employees and interview question was conducted with the management of the factory, at head office. Therefore, on the basis of the data collected, the researcher has come up with the following findings.

- Most of the time interpersonal conflict in NALF exists between employees and the management

- As regard to the occurrence of conflict, the study shows that most of respondents replied that conflict frequently occur in National Alcohol and Liquor Factory

- Regarding the attitude of employees towards conflict half of them responded that conflict is dysfunctional. An interview conducted with the management confirmed still the management believe that conflict is dysfunctional and should be avoided.

- The study confirms that conflict helps in generating new ideas and in clear decision making. In addition, it also motivates for change and improves the productivity of the organization.

- Concerning to the negative outcome of conflict, the findings shows conflict increase hostility and aggressiveness employee turnover, customer dissatisfaction and diverts energy from work hinders the performance of employees and the factory as a whole. Regarding to the impact of conflict the management also confirmed that conflict has strong psychological impacts.

- Among personal source of conflict emotions, lack of knowledge personality difference and autocratic behavior are the major sources of conflict.

- Regarding to the communication related sources of conflict errors in perception, distorted message and late delivery information are the major sources of conflict.
- The finding shows that self absorbed of work and unclear line of responsibility are the main structural sources of conflict.
- Majority of the respondents confirmed that there is no free condition to discuss their problems freely.
- The study shows the way the organization responding to employees in order to solve conflict is not satisfactory. Thus, employees don't get the right remedy at the right time.
- The study confirms that majority of employees have not taken training on the concept of conflict and conflict management in the work place.

4.2. Conclusions

On the basis of the findings presented above the following conclusions are drawn.

- The majority of respondents which is 50% confirmed that conflict frequently occurs in National Alcohol and Liquor Factory.
- According to the finding training is not prepared to broaden the understating of employees and management on the concept of conflict and its management. Therefore, it is possible to conclude that they are not familiar with the modern view of conflict management issues.
- If NALF doesn't provide the recent thought for employees, they tend to hold traditional views. Therefore, it is possible to conclude that because trainings are not given to employees, majority respondents, 83.3% still believe that conflict has dysfunctional consequences.
- If employees are not responsible for the jobs they are doing, it is likely that they affect what others do, and this creates conflict between individual and groups.
- Because of poor communication system, communication breakdowns occur. These communications breakdowns tend to lead conflict, as respondents of NALF replied.
- Findings show that, NALF management does not have better understanding on the concepts of conflict management. Therefore, conflict is seen from one direction which is conflict is dysfunctional. They don't give emphasis to functional conflict.
- It is possible to say that, more than of the conflict which occur in NALF is interpersonal conflict.

- Emphasis is not given to conflict handling practices in the factory; it is likely to say that conflict in NALF highly affects the performance of employees as well as the organization as a whole.
- The foremost sources of conflict in NALF are self absorbed of work, lack of communication and poor management.
- Most of the respondents which is 25% agreed on conflict creates employee turnover and increases hostility and aggressiveness. Moreover, it has extensive psychological impact to employees. Generally, conflict disturbs the overall activity of the organization.
- The employees' interest is not taken into account in conflict management process. This is the basis to make the management and employees relationship rough. Additionally, the management attempt to build smooth relationship is weak.
- The key to the success of any organizations are employees in order to achieve the organizational goal employees have great contribution. So, the management should satisfy their interests as much as possible, motivate them, get all issues out openly and discuss and work jointly with them.
- Improper management of conflict may have an adverse effect on the performance of the organization. Returning to NALF poor conflict management is manifested by the existing of high employee turnover.

4.3. Recommendations

Based on the finding of the study and the conclusion drawn, the researcher has forwarded the following recommendation to minimize the problems observed:

- Managers should be able to emphasize in attaining of the common interests of both conflicting parties rather than merely finding away to accommodate their different perspectives. Question of who is right or wrong is generally avoided, but sharing and communicating are required in order to find areas of common interest.
- NALF need to prepare open discussion, seminars, workshop etc… and give right and up to date information to employees to minimize interpersonal conflicts exists in the factory. The management should give special attention to the development of effective leadership , participatory decision making , effective two way communication improving in inter personal relation ships and prevision for facilities

- Conflict is not always negative. Conflict like fire can be useful force when properly handled, so, NALF should also focus on stimulating competitions and conflict. Sometimes, conflicts can have a galvanizing effect on the progress of organizations. So, manager must recognize the difference between constructive and destructive conflict situations and get the best out of them.

- NALF should minimize employee's turnover that occurs because of the conflict in the factory. So, the management tries to understand the idea of the opposing party, create a climate of trust and be good listener.

- In recent year management of many organizations shifted their view that is conflict is seen as inevitable in every organization. NALF must take actions. To change the traditional views of employees and the management to modern views, this enables NALF to alter the level and forms of conflict in ways that maximize benefits and minimize its dysfunctional consequences.

- The mismanagements of conflict rather than conflict itself that causes real trouble in the organization. The effective manager must understand the nature of conflict that is beneficial to the organization. The management must deal with conflict in ways that promote both the individuals and organization goal. Managers should smooth by playing down differences that exists between employees and the management.

- Conflict can never be eliminated entirely in organization hence, the management should develop skills in analyzing conflicts getting their sources, give remedial treatment and turn distributive wheel to build ones for the better of the organization.

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APPENDICES

A. Questionnaire for Employees

Survey on the Assessment of Causes and consequences of conflict between Management and Employees: the case of National Alcohol and Liquor Factory [NALF]

Addis Ababa, 2010

For Employees Use only

Informed Confidentiality and Consent

I am a prospective graduate of St. Mary's University College from the department of Management. I am conducting a research for the partial fulfillment of my B. A. Degree in management, entitled "An Assessment of causes and consequences of conflict between Management and Employees: The case of National Alcohol and Liquor factory"

The general objective of the research is to assess the causes and consequences of conflict between management and employees in your factory and to suggest recommendations that would help to minimize conflict.

Since your honest and timely response is valuable for the success of the research, please try to answer the questions frankly with due attention.

Note:

- No need of writing your name since the questionnaire is prepared for academic purpose.
- Please, put a tick mark (√) in the box for your answers
- Discuses briefly open ended questions

Thank you very much.

Part One: Personal Information

1. Sex (Gender):   Female   ☐   Male   ☐

2. Age in completed years: 15-19   ☐   20-24   ☐

                             25-29   ☐   30-34   ☐

                             35 and above ☐

3. Marital Status: Single   ☐   Married   ☐

                         Divorced   ☐   Cohabited   ☐

                         Separated   ☐   Widowed   ☐

4. Educational Background:

                         Grade 10 or 12 Complete ☐   Certificate   ☐

                         Diploma   ☐   Degree   ☐

                         Other   ☐

5. Year of stay in the factory:

                         0-4   ☐   5-9   ☐

                         10-14   ☐   15-19   ☐

                         20 and above   ☐

Part Two: Questions on Causes and consequences of conflict

6. Have you observed any conflict between management and employees?

    Yes   ☐   No   ☐

    No response   ☐

7. If your answer for question 6 is "Yes", how often does conflict occur in NALF?

    Very frequently   ☐   Frequently   ☐

    Rarely   ☐   No response   ☐

8. What is your attitude towards conflict?

    Functional (Positive)   ☐   Dis functional [negative]   ☐

    Both   ☐   No responses   ☐

9. If your answer for Question number 8 is "Positive", discuss briefly why?

    _____

    _____

    _____

    _____

    _____

10. If your answer for question 8 is "negative", discuss why?

_____

_____

_____

_____

_____

11. What are the common types of conflict happened in your factory?

Interpersonal (within one self) ☐   Interpersonal (between Employees) ☐

Department (between groups) ☐   between organizations ☐

12. If you say conflict is "constructive" (useful), which of the following positive outcomes have you observed in your workplace?

Leads to new idea ☐   Motivates changes ☐

Fosters creativity and innovation ☐   Makes efforts in one direction ☐

Improves the productivity ☐   Helps in clear decision making ☐

13. If you say conflict is "destructive", which of the following negative outcomes of conflict are common in your factory?

Diverts energy from work ☐   Increases hostility and aggressiveness ☐

Customers dissatisfaction ☐   Wastes resources ☐

Employee turnover ☐   less motivation of work ☐

14. Do you think conflict hinders the performance of NALF?

Yes ☐   No ☐

No response ☐

15. If your answer for question 14 is "yes", discuss your main reason.

_____

_____

_____

_____

_____

16. Have you been in conflict with someone in your work place?

Yes ☐   No ☐

No response ☐

17. If your answer for question 16 is "yes", how do you describe the psychological impact of conflict?

Very high ☐ High ☐

Moderate ☐ Low ☐

Very low ☐

18. What are the main sources of conflict in NALF?

_____

_____

_____

_____

_____

19. What are the negative consequences of conflict in your factory?

_____

_____

_____

_____

_____

20. What personal factors are the causes for conflict?

Lack of knowledge ☐ Unshared perception ☐

Emotions ☐ Personality difference among workers ☐

Autocratic behavior ☐ Less understanding of behavior ☐

21. In related to the communication system of the factory which factors are inevitable to conflict?

Late delivery of information ☐ Distorted message ☐

Impolite communication ☐ Use of jargons ☐

Lack of communication skill ☐ Errors in perception ☐

Information linkage ☐

22. Which of the following structural factors are sources of conflict in NALF?

Self absorbed of work ☐ Goal difference ☐

Less degree of work growth ☐ Authority relationship ☐

Scarcity of resources ☐ Unclear line of responsibility ☐

23. Most of the time with whom interpersonal conflict occurs in your factory?

    With management   ☐   With subordinates   ☐

    With people in equal status   ☐

24. What is the response of the management when conflicts occur?

    Highly concerned   ☐   Concerned   ☐

    Give little attention   ☐   Non Concerned   ☐

25. Is there any provided condition that enables employees to discuss about their problems freely?

    Yes   ☐   No   ☐

    No response   ☐

26. Do you get satisfactory solution for conflict at appropriate time?

    Yes   ☐   Partially   ☐

    Not at all   ☐   No response   ☐

27. Have you taken training on conflict and conflict management in National Alcohol and Liquor Factory?

    Yes   ☐   No   ☐

    No response   ☐

28. Please suggest your own possible solution to minimize conflict at work place.

_____

_____

_____

_____

_____

B. Interview Questions

Survey on the Assessment of Causes and consequences of conflict between Management and Employees: the case of National Alcohol and Liquor Factory [NALF] Addis Ababa, 2010

For General Personnel and Training Head Use only

I am a perspective graduate of St. Mary's university college from the department of management. I am conducting a research for the partial fulfillment of my BA Degree in management entitled "An Assessment of Causes and Consequences of Conflict between Management and Employees: The case of National Alcohol and Liquor Factory.

The general objective of the research is to assess the cause and consequences of conflict between management and Employees in your factory and to suggest recommendations that would help to minimize conflict.

Since your honest and general response is valuable for the success of the research please try to answer the following interview questions with due attention.

1. What does mean conflict?
2. Do you think conflict exists in National Alcohol and Liquor Factory? If yes, with whom the conflict occurs?
3. Do you think the management has a smooth relationship with employees of NALF? If you say 'No', briefly discuss why?
4. Do you think managing conflict is difficult? Why?
5. What do you think the sources of conflict in the factory?
6. What is your attitude towards conflict?
7. Could you mention some of the outcomes of conflict?
8. Have you ever taken any formal training on conflict and conflict management?
9. What possible suggestion do you recommend to minimize conflict at work place?

Thank you very much.

DECLARATION

I, the undersigned, declare that this senior essay is my original work, prepared under the guidance of Ato Daniel Meread. All sources of materials used for the manuscript have been duly acknowledged.

Name: Eniyew Mariye

Signature: _____

Place of submission: St. Mary's University College

                             Faculty of Business

                             Department of Management

                             Addis Ababa

Date of submission: _____

SUBMISSION APPROVAL SHEET

This Senior Research Paper has been submitted to the Department of Management in partial fulfillment for the requirement of BA Degree in Management with my approval as an advisor.

Name: Daniel Meread

Signature: _____

Date: _____