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Title of the Dissertation: ***Causes of Conflict and its Effects on Organizational Performance in bureaus of Amhara National Regional State.***

***CERTIFICATE OF APPROVAL***

I hereby certify that the proposal for the dissertation entitled ***Causes of Conflict and its Effects on Organizational Performance in bureaus of Amhara National Regional State*** by ***Tigist Abreham Walle*** has been prepared after due consultation with me. The proposal has my approval and has, to my knowledge, the potential of developing in to a comprehensive Dissertation Project. I also agree to supervise the above-mentioned Dissertation till its completion.

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**CHAPTER ONE**

**INTRODUCTION**

* 1. **BACKGROUND OF THE STUDY**

Human beings have their own basic needs; everyone needs to be recognized as individual with a personal identity, everyone needs to be able to feel safe. If these needs are not met, people protest and protesting can lead to rebellion and violence. In order to fulfill their needs people interact with others, in the process of interaction there are many rooms to appear conflict.

According to Chandan (1987), the concept of conflict, being an outcome of behaviors and it is an integral part of human life. Wherever there is interaction there is conflict. As to him conflict is disagreement between two or more individuals or groups which individual or group trying to gain acceptance of its view or objectives over others and because people differ in their attitudes, values and goals, conflict among them become unavoidable.

As Rao and Narayana (1996) pointed out, conflict is a basic fact of life in groups and organizations and conflict is not surprising the very nature of organizations guarantees the emergence of conflict (1) Organization contain people with divergent personalities, perceptions, and values. (2) Those people are assigned to jobs that have contrasting characteristics impart unequal degrees of status and frequently foster competition. (3) Organizations contain groups that often have conflicting views and that must compete for scarce resources they need to achieve their goals. Thus, conflict is an inescapable aspect of social interaction, an inevitable consequence of the interactions and interdependence between organizational participants.

Similarly, Terry and Franklin (1988) stated that conflict exists in all organization despite the finest formal organizational system and the most cohesive informal organization. Conflict is opposition or dispute between persons or groups within the firm. With all developments and change that take place among manager and worker, it is reasonable to expect difference opinion, beliefs and ideas.

The interaction of the organization with different bodies leads to conflict. Since people in the organization are coming with different needs, goals interests and values, then this difference/incompatibility may arises the conflict. Different writers stated that organizational conflict is regarded as the discord that occur when the goals, interest of values of different individuals or group block in an attempt to achieve their objectives.

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Even though the existence of conflict in any social setting is unquestionable, its source or causes are different. In order to manage conflict effectively, managers should understand the main source of conflict. As Kinard (1988) and Chandan (1987) stated, the causes of conflict are resource scarcity, incompatibility of thought, values or goals and power or authority. According to McShane (2004), source of conflict in organizations are incompatible goals, different values and beliefs, task interdependence, scarce resources, ambiguous rules and communication problems.

In the organization Conflicts occur in different forms. It may appear in personal or group form. As Chandan (1987) and Nelson and Quick (1997) indicated, conflict exist in the organizations in different levels. It may occur between or within the individual, between or within groups and between or within organization.

Conflict in the organization has different consequence. Some conflict may be constructive and others may be destructive. Not all conflict is bad and not all conflicts are good. According to Terry and Franklin (19988), since conflict is inevitable, a helpful approach for the manager is to use it so that an appropriate and effective means for achieving goals can be followed. As to them such an approach requires acceptance of the view that the perfect organization is not free from conflict and that conflict is helpful in bringing about needed changes. Regarding to the effects of conflict, Rao and Narayana (1996) explained that the positive consequence of conflict is stimulant for change, it fosters creativity and innovations, and it creates cohesion and satisfaction it necessary for internal stability of organizations and the negative effects of conflicts are it creates stress in people, diversion of energy, it creates instability and chaos, and it distorted goals, diversion of the group’s time and effort toward winning the conflict rather than toward achieving organizational conflict.

Supporting the above idea, Nelson and Quick (1997) described that some types of conflict encourages new solution to problems, stimulates creativity, motivates changes and others conflict diverts energy from work, waste resources, creates a negative climate, breaks down group cohesion, etc.

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As Terry and Franklin (1988) stated, several decades ago conflict was considered harmful, induces merely negative outcome, was to be avoided, suppressed and those who generated conflict were considered a trouble maker. Now there are trends to recognize that some anxiety and conflict are needed for us to behave most effectively.

Hence, in order to achieve organizational goals managers should be minimize the causes of conflict and maximize functional conflict.

In social life, conflicts do occur but they are managed by family, member, friends and relatives. The same applies to organization. When conflict arises, it needs to be resolved by management for the sake of organizational growth, survival and enhance performance. As Rao and Narayana (1996) explained, the effective manager must understand the nature of conflict that is beneficial to the enterprise and conflict that is not. As to them manager must deal with conflict in ways that promote both individual and organizational goals. The management of conflict is essential prerequisite to sound management of human relation. According to them ways or methods of resolving conflicts in the organization are Avoidance (ignores disagreements takes no position on the issues involved, and may even be hesitant to talk about the situation). Accommodating (emphasis is on the common interest of the conflicting group and a de-emphasis on their differences) compromising, (emphasis is on the process of compromise and bargaining based on a simple give and take process) Dominance, (power oriented and is associated with direct physical aggression and heavy reliance on punishment) and problem solving, (using participative management techniques to gain consensus and commitment to objectives).

Managers are concerned about conflict for three reasons. First they believe that conflict is natural occurrence in all society and it is inevitable so any perfect organization health is not free from conflict. Second they also agree conflict is neither bad nor good for organization. The way of handling conflict determines its effect. All conflict is not bad. Thirdly they believe conflict is not organizational abnormality. It is a normal aspect of social intercourse. It is the fact of life that must be understood rather than fought ( Rao and Narayana, 1996).

So, managers should give attention to conflicts rather than suppressing or ignoring them.

Since conflict is natural phenomena in social life, it exists in all types of organizations. Therefore, Trade, Industry and investment Promotion sectors are part and parcel of this study.

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* 1. **Statement of the Problem**

Public organization is established to satisfy the interests of the society. To achieve this goal manager and employees are working in it as much as they can. Business runs in an ever changing environment. So, the intention of making it successful is encircled by a lot of problems that may emanate from different direction at different degree.

Nelson and Quick (1997) explained that today’s organization may face greater potential for conflict than ever before in history. The market, with its increasing competition and globalization, magnifies difference among people in terms of personality, values, attitudes, perceptions language cultures and national background, with increasing of the workforce, furthermore, comes potential incompatibility and conflict.

Kinard (1988) stated that, whenever individuals with varying needs, values and personalities come together with in an organizational structure, conflict is inevitable.

We cannot avoid conflict from our part of life. Because of the wide range of potential differences among people, the absence of conflict usually signals the absence of meaningful interactions. Without conflict organization would be only a pathetic and stagnant. So it is an indicator of stimulant for change (Rao and Narayana, 1996).

Now a days one of the problems in the organization in this time is conflict between workers and management, between workers, between organization and external environment due to different reasons. No organization escapes conflict. Since, people are coming with different attitudes, interest and goals hence, this incompatibility leads to conflict. From healthy organization the existence of conflict is normal.

In the working live, employees occasionally have causes to be uncomfortable, disappointed or aggrieved either about certain managerial decisions, practice or service conditions.

When employees are in conflict in the organization, they show different behavior to express their grievances. According to Rao and Naranya (1996) and Wikipedia, the free encyclopedia, in the organizations worker who are in conflict exhibit refusal to cooperative, gossip, reduce creative collaboration and team problem solving, decreased customer satisfaction, a higher frequencies of absence from workplace, resign from committees ,delay decisions, create deadlocks, divert time and energy from the main issues, etc. The consequence of these behaviors leads to decrease the performance of employees as well as the organization.

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The important thing is, whether this particular symptom or feeling is given attention or is ignored all together. Rao and Naranaya (1996) stated that conflict in the organization should not be suppressed, ignored or avoided. Since, conflict in the organization affects employee’s behavior, performance and the general structure of the organization; so it should be given attention or treated properly. For this MsShane (2004) explained that socio-emotional conflict increase frustration, job dissatisfaction, and stress. In the longer term, this leads to increased turnover and absenteeism. Terry and Franklin (1988) also described that conflict is consistently associated over an organization personality, performance, innovation and creativity and productivity.

Hence, in order to make conflict constructive, leaders should give attention to employees feeling and behavior in relation to conflict. If the organizational leaders suppressed the conflict its result may be negative o dysfunctional.

So, managing conflict in the organization is most important and essential activities of the management, because without conflict organization would be a stagnant. Nelson and quick (1997) stated that estimates show that managers spend about 21 percent of their time dealing with conflict. As to them managing conflict is equivalent of one day every week and conflict management skills are a major predictor of managerial success.

When we come to our region, managing conflict is a serious problem and main issues in governmental organizations. That is why most of governmental organizations now a days employed different experts in order to examine or manage the grievances or conflicts of employee’s, groups and customers in the organization (Report of Amhara Region capacity Building Bureau, 2001)

ANRS bureau of Trade, Industry and Investment Promotion is not exception since it has its own organizational goal and the attainment of the goals is directly related to managing conflict. Amhara region Trade, Industry & Investment promotion report and grievances documents (2001) showed that there are conflicts between workers, between employees and management and between groups because of limited resources, organizational structure, role conflict, unclear communication, competition for the same job and competition among groups. So it would be very important to study further the conflict causes, way of resolving and its effect in this organization.

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Finally the researcher of this study wants to investigate the causes of conflict and its effect on organizational performance by forwarding the following of questions:

* What are the major causes of conflict in Trade, Industry and Investment Promotion sector?
* To what extent organizational conflict affect the performance of the organization?
* How can we resolve conflict in an organization?
* What are the consequences of conflict in the organization?
	1. **Objective of the study**

The general objective of this study is to examine the causes of organizational conflicts and its effect on organizational performance.

The specific objectives of the study are:

* To explore the main causes of conflict in the organization.
* To assess the relationship between the conflict and organizational performance.
* To examine the effects of conflict on the organizational performance.
* To explore the types of conflict in the organization.
* To show the importance of conducting continuous research on the topic for the attainment of organizational goals.
	1. **The Scope of the study**

For the sake of manageability the study is delimited to focus on examining the major causes of conflict and its effect on the organizational performance.

Even though conflict exists in everywhere, this study is delimited to governmental organization. That is in Amhara National Regional State bureau of Trade, Industry and Investment Promotion, micro and small Enterprise development Agency and Transport Authority in Bahir Dar town. The current head, employees, managers and process owners of these organizations will be considered under this study.

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* 1. **Significance of the study**

The researcher expects that the findings obtained from the study will have at least the following benefits:

* Identifying major causes of conflicts and its effects on the organization.
* Showing method of resolving conflicts in the organization.
* Making managers to be aware of resolving conflict.
* In order to have managers a good attitude towards any conflict.
* The management of the organizations may also use the recommendations of this study in order to recognize conflict situation and to develop appropriate strategies to resolve and to minimize conflict in the organization.
* And finally it will help an insight for further study in the area.
	1. **Operational Definition of Terms**
* **Conflict:** Conflict in the organization means a disagreement or incompatibility within or between the individual or group or organization due to beliefs goals thought, resources, authority, power, etc.
* **Core Process:** is a process, which is based for the establishment of the organization. It is an activity direct related to organizational mission and it is performed or satisfies customer need.
* **Support Process:** is a process which is not bases for the establishment of the organization but it supports/important/ to achieve the aim of the core process.
* **Organizational leaders:** is a leader who are responsible for the successful or achievement of core/support processes objectives in the entire organization.
* **Process Owners:** the process owner is a manager with responsibilities of the specific process that is reengineered. He/she motivates and provides the necessary support for team members.

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**CHAPTER TWO**

**2. REVIEW OF RELATED LITERATURE**

**2.1 Definition of Conflict**

Different types of definition have been given to conflict. Kinard (1988) defined conflict as follows: Conflict can be defined as an emotional or physical struggle arising when two or more persons vie for the same resources, activities, or goals, when only one can achieve them at the expense of the other. On the other hand, (Chandan, 1987) define conflict in this way: 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.”

Mc Shane (2004) also explained conflict in this way: it is a process in which one party perceives that its interests are being opposed or negatively affected by another party. As to him, incompatible goals, different values and other conditions lead one or both parties to perceive that conflict exists.

Organizational conflict is defined by different writers. According to Chandan (1987), organizational conflict is disagreements on such factors as allocation of resources, nature of goals and objectives, organizational polices and procedures, nature of assignments and distribution of rewards.

According to Wikipedia, the free encyclopedia, organizational conflict is a state of discord caused by the actual or perceived opposition of needs, values and interests between people working together. There are jurisdictional disagreements among individuals, departments and between unions and management.

The above description show that conflict is regarded as the disagreement that occurs because of shortage of resources or when the goals, interest or values of different individuals or groups are incompatible with those of individuals or group or frustrate each other in attempt to achieve their objectives.

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**2.2 Causes of Conflict**

All conflict in the organization is normal. But all conflicts have not the same source. Different resources and scholars explained that the general cause of conflicts are the incompatible of goals, values and ideas, scare of resource, competitive incent and word systems, role ambiguity, organizational structure, etc.

According to Js Candan (1987, pp 283) the cause of conflicts explained as follows as to him. The causes of conflict can be restructured and placed in to one of these categories - Behavioral aspects of conflict, and structural conflict.

**2.2.1 Behavioral Aspects of Conflicts**

According to Chandan (1987), these conflicts arise out of human thoughts and feelings, emotions and attitudes, values and perceptions etc. As to him this conflict can arise by a simple misunderstanding or an error in communications and also arise due to differing view points about various issues. He also stated that the personality of an individual may in itself be a cause of conflict.

In relation to behavioral cause of conflict Terry and Franklin (pp 249) stated, Goals difference between groups creates different perceptions and can cause conflict. In addition to this as to him the existence of different department in the organization create different needs and develop different specific goals.

According to Nelson and quick (1997), conflict may occur due to diversity of in skills and abilities, in perception, in values and ethics and individual personality.

The general explanation indicate that the incompatibility of goals, beliefs, values, perception, interest, needs, thoughts feelings, attitudes, and personalities differences nay a source /reason of individual or group or organizational Conflicts.

 **2.2.2 Structural Aspect of Conflict**

According to Chandan (1987), this conflict arises to issues related to the structural design of the organization as a whole as well as its sub units. Similar to the above idea, Kinard (1988) explained that conflicts also can be caused by the organizational structure itself since an organization employs individual with different personalities however, all aspects of the organization’s structure will not be compatible with all its members. As to him there are different issues or cases which involve under this cause of conflict these are:-

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**2.2.2.1 Role Ambiguity**

As Chandan (1987) stated, a role is a set of activities associated with a certain position in the organization or in the society. If these activities are ill defined, then the person who is carrying out these activities will not behave others expect him to because his role is not clearly defined. This will create conflict, especially between this individual and those people who depend up on his activities.

Kinard (1988) indicated that overlapping task definitions can be other sources of inter-group conflict. Difficult in assigning credit between two departments increases the chance of conflict between them. Kinard (1988) also stated that, role ambiguity is another cause if inter- personal conflict, a situation that arises when role demands are not clearly communicated. As to him role conflict occurs when incompatible demands are place on a manager by two different groups of people.

The above explanations indicate that the presence of role conflict or role ambiguity and when role is not clearly defined it increase the existence of conflict.

 **2.2.2.2 Design of Work Flow**

According to Chandan (1987), this kind of cause of conflict are primarily intergroup problems and conflicts which are the out comes of poorly designed work flow structure and poorly planned coordination requirements specially where the tasks are interdependent. A poorly designed work flow and uncoordinated activities between departments would create conflict and problems.

Supporting the above idea, Rao and Narayana (1996) explained that as the task interdependence increase the potential for conflict increases, when departments have little interaction with each other put are affected by each other actions. Or one unit in unable to commence its work until the other unit completed its job, conflicts potential is greatest. When two or more groups are mutually interdependent in accomplishing the tasks, the output of departments influences one another in reciprocal fashion. Conflict is likely to crop up when agreement is not reached about the coordination of services to each other.

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From the above discussion we can conclude that conflict may occur because of overlapping task, role conflict, poorly coordinated, task interdependence and poorly planned work flow.

 **2.2.3 Resource Aspects of Conflict**

Some conflicts may occur due to resource. Rao and Narayana (1996) explained that the research findings generally confirm that resource allocation is another sources of conflict. In relation to this they stated that, resource allocation is a bone of contention between organization member groups. Resources symbolize power and influence, and are the means of accomplishing goals conflicts.

In relation to this, kinard (1988) conflicts between individuals most often occur when two people compete for the same job or for limited resources. Limited resources that must be allocated create win lose competition among groups, thus resulting in dysfunctional conflict (Terry and Franklin, 1988).

Conflicts arise in groups because of the scarcity of freedom, position and resources (From Wikipedia, the free encyclopedia)

**2.3 Types of conflict**

Regarding the kind of conflict different scholars suggested their own views. For instance Terry kinard (1988, pp 304) classified conflicts in to three, intrapersonal conflict, Inter personal conflict and inter group conflict. Chandan (1987) also divided conflict into five, these are conflict with in individual, Inter personal conflict, conflict between the individual and the group, Inter group conflict and Inter-organizational conflict.

Generally, conflicts in the organization can be divided into six.

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 **2.3.1 Intra- individual/Intra-personal Conflict**

This conflict is a conflict within the individual or is internal to the person. Man has different need and interests. In the process of fulfilling his needs, conflict may arise within individual. For this (Rao and Narayana, 1996) explained that |Interpersonal conflict is internal to the person and is probably the most difficult type of conflict to analysis. This conflict arising due divergent goals (when a goal that an individual in attempting to achieve has both positive and negative features or when two or more competing goal exist). Conflict arises from out of multiple roles to be played daily (the existence of role almighty and role conflict).

According to Nelson and Quick (1997), intra-personal conflict occurs within an individuals. It occurs when a person’s experience of conflict among the multiple roles in his or her life or within a single role such as, when a person receives conflicting messages from role senders about how to perform a certain role or when an individual is expected to perform behavioral in a certain roles that conflict with his or her personal values.

Conflict within individual have many reason and difficult to resolve it easily.

 **2.3.2 Inter- personal conflict**

This kind of conflict is most common. It occurs between individuals. As Chandan (1987) stated that, “Inter personal conflict involves conflict between individuals and is probably the most common and most recognized conflict. The causes of this type of conflict, according to him, are people competing for limited capital and man power resources, disagreements over goals and objectives of the organization, and personality clashes (in opinions, attitude and characteristics).

Similarly, Kindard (1988) explained that interpersonal conflict involves rivalries in the work environment between individuals. As to him conflict between individuals most often occurs when two people compete for the same job or for limited resources. Conflicts also arise between employees and their bosses in this kind of conflict.

The above discussion shows that interpersonal conflict among group members in organizations is inevitable and common one. The reasons may be behavioral, resource and organizational structure.

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 **2.3.3 Intra- group conflict**

This type of conflict is a conflict between an individual and group. These types of intra group conflicts arise frequently due to an individual’s inability to conform to group norms. If the individual violate the group norm, or standard individual may punished, the he could come in to conflict with other group members.

According to Chandan (1987) stated that All formal groups, as well as informal groups have established certain norms if behavior and operational standards which all members are expected to adhere.

The individual may want to remain with in the group for social needs but may disagree with the group methods. This conflict may also be between the manager and his subordinates as a group or between the leader and the led. A manager may take disciplinary action gains a member of the group causing conflict which may result in reduced productivity.

 **2.3.4 Inter- group conflict**

According to Nelson and Quick (1997), this kind of conflict occurs between groups or teams. Conflict between groups can have predictable effects within each groups, such as increased group cohesiveness, increased focus own task, and increased loyalists to the group. In addition groups in conflict tend to develop an “us against them” mentally where by each sees the other team as enemy, becomes more hostile, and decreases its communication with the other group.

Similarly, Rao and Narayana (1996) stated that inter-group conflicts over authority, jurisdiction and resources are exceedingly common. Every group is in a least conflict with every group it interacts with most of the departments in the organizations competing for the allocation of scarce resources and power. As to them, research finding conflict that incompatible goals, task interdependences, resources allocation, competitive, incentive and reward systems, line and staff conflict, and differences in values or perceptions are the main cause of inter-group conflicts.

Generally, inter-group conflict is the conflict between groups, teams and departments due to the incompatibility of behaviors, organizational structure and shortage of resources.

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 **2.3.5 Intra - organizational Conflict**

Intra organizational conflicts occur within the organization or internally occur within the organization may be between employee with in departments or superior with subordinate or conflict with line and staff.

According to Rao amd Narayana (1996), intra- organizational conflict occur between employees or departments at the same hierarchical level in an organization or between separates people in various levels of the occupation in organization due to inadequate communication between levels, differences of intense between position holders occupying different status in the organization hierarchy and a distinct lack of shared perceptions and attitudes among members in various levels.

 **2.3.6 Inter- organizational conflict**

This conflict involves across different organizations. Regarding this type of conflict, Chandan (1987) stated that this conflict occurs between organizations, which is some way are dependent up on each other. For instance between buyer organization and supplier, between government agencies that regulate certain organizations and the organizations that are affected it.

As Nelson and Quick (1997) explained, conflict that occurs between two or more organizations is inter organizational conflict. Competition among organization also can super inter-organizational conflict.

**2.4 Effects of conflict on the organization**

Scholars indicate that scientific file management, administrative and human relation schools believes or advocated that any conflict should be avoided in the organization. But the modern management view is not so negative about conflict. It believes that conflict can be helpful and constructive if handled properly.

Not all conflicts are bad and not all conflicts are good. Conflict can create negative impact to groups but may also lead to positive effect depending on the nature of conflict. Conflict in the group need not lead to negative results, however the presence of dissenting member or subgroup often result in more penetration of the group’s problem and more creative solutions (Wikipedia, the free encyclopedia). So, conflicts in the organizations have two effects/results i.e constructive and Destructive conflict.

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 **2.4.1 Constructive/Positive effect of Conflict**

 When conflict arises we need to be able to manage them properly. So that it becomes a positive /constructive we force, rather than negative force, which would threaded the individual or group. (Terry and Franklin, 1988) advocated that approach conflict as a normal part of behavior that can be exploited as a means of promoting and achieving change. Also resolving conflict can being about needed redefining of goals, re allocation of resources and changing producers.

According to Rao and Narayana (1996), the positive consequences of conflict are stimulant for change, initiates a search for way to polish and refine objectives, methods and activities. As to them, if we handle /manage properly, conflict is a productive force it stimulate members of the organization to increase their knowledge and skill and it contributes to organizational innovation and productivity.

 **2.4.2 Destructive/Negative effect of Conflict**

Depending on the nature of conflicts, there are conflicts which is effect is negative Due to different reasons some of the result of conflict may be destructive.

Dysfunctional conflicts hinders and prevents organizational goals from being achieve his or her own objective at the total expenses of or with disregard for other usually dysfunctional conflict will result (Jerry Franklin, 1988).

Similar to the above idea, (Rao and Narayana, 1996) described that the negative consequence /effect of conflict creates stress in people, Diversion of energy diversion of the groups time and effort toward winning the conflict rather than toward achieving organizational conflict and tend to put their own aims above those of the organization, conflict create instability and chaos, and goals are distorted and resolution of conflict is viewed as win los rather win-win.

Generally, problems due to conflict are lack of cooperation, poor communication, the increase of stress among employees, reduce creative collaboration and team problem solving, decrease customer satisfaction etc.

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**2.5 Methods /Styles to resolve conflict**

Conflicts are in escapable in an organization even though the effect/result of conflict negative or positive manager should take care in resolving conflicts. By understanding the situation of constructive and destructive effects of conflict, Managers should be managed conflicts rather than suppressed or avoided. Since conflict has constructive and constructive consequences, it must be analyzed and managed carefully (Rao and Narayana, 1996).

According to Cnandan (1987) and Wikipedia the free encyclopedia, the five primary strategies for resolving conflicts are ignoring the conflict, smoothing, compromising forcing and problem solving.

Even though different authors have given different terminology to describe these strategies the basis content and approach of these strategies remain the same (Chandan, 1987).

 **2.5.1 Avoidance Method**

As the word indicate avoidance style refer that the management don’t give attention to conflict. Rao and Narayana (1996) stated that in the method of avoiding of conflict the person stays out of conflicts ignores disagreements takes no position on the issues involved, and may even be hesitant to talk about the situation.

According to McShane (2004), avoiding method tries to smooth over or avoid conflict situations altogether. It relates allow concern for both self and other party. In other words, avoiders try to suppress thinking about the conflict.

So in order to manage conflicts one way of is avoidance or withdrawal the conflict depending on the nature of the conflict.

 **2.5.2 Smoothing Accommodating Method**

As Chandan (1987) stated, smoothing simply means covering up the conflict by appealing for need for unity rather than addressing the issue of conflict itself, If two parties have a conflict within the organization, the supervisor may try to calm things down by being understanding and supportive to both parties and applying them for cooperation.

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Similarly, Rao and Narayana (1996) explained that smoothing conflict styles is low in assertiveness and high on cooperativeness. Parties will be generous and self scarifying. The emphasis is on the common interest of conflicting group and a de-emphasis on their difference. Implicit in this style is the belief by the individual or group that others will cut off their relationship if he or she expresses self oriented concerns.

The above explanations indicate that smoothing method focus on common interest of both parties.

 **2.5.3 Dominance/Forcing Method**

This style of resolving conflict is using power or force to eliminate conflict. In these strategies in the process of resolving one group being an advantageous and the other advantageous one.

Supporting the above idea, Rao and Narayana (1996) advocated that the dominance style in high on assertiveness and low on cooperativeness. This style is power oriented and is associated with direct physical aggression and heavy reliance on punishment, to gain control over others. One party’s gain is another party’s loss.

According to McShane (2004), this method tries to win the conflict at the others exceeds. This style has the strongest win –lose orientation.

The above explanation indicate that dominance style resolving conflict always ends up In one party being a loser and the other party being a clear winner.

 **2.5.4 Compromising**

This method is a give and take process to solve the conflict so there is no a winner or loser party. In this style each party concerned about their goal accomplishment and is willing to engage in give and take to reach a reasonable solution.

As Chnadan (1987) stated, a compromise in the conflicts is reached by balancing the demands of the conflicting parties and bargaining in a give and take position to reach a solution. Each party gives up something and also gains something. This technique of conflict resolution is very common in negotiation between the labor union and management.

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Compromises can be thoughts of as a “give and take” exchanges with no clear winner or loser. A from compromise is bargaining. In this situation, both sides realize they have to give a little but want to minimize the loss, both parties lack real commitment to the solution. (Kinard , 1988).

 **2.5.5 Confrontation/Problem Solving**

This method of resolving conflict some authors, call it collaboration method, others we call it win-win style and some writer call confrontation method. But both of them refer the same idea. This method is important and an advisable one, since it is participatory method, both parties are willing to reach consensus to resolve conflicts.

Supporting this idea, McShane (2004) stated that this method tries to find a mutually beneficial solution for both parties. In function sharing is an important factor of this style because both parties need to identify common ground and potential solution that satisfy both or one of them.

According to Rao & Narayana (1996), problem solving is said to be the opposite of conflict because it demands a complete rethinking of the conflict situation. Parties openly share information attempt to listen and develop empathy. There is an attempt to de personalize the issue. Parties debate the issue bringing together all relevant information, consider full range of alternatives and try to solve the problem rather than merely trying to accommodate different points of view. All parties are seen as playing a constructive role.

Even though all methods of resolving conflicts have their own positive and negative side effect organization should apply each style depending on the characteristics or types of conflict.

**2.6 Ways to minimize Conflict**

In addition to resolving conflicts managers should reduce means of arising conflict before it developed. Regarding ways of minimizing conflict different writers provide their suggestion. For instance, Nelson and Quick (1997) explained that in order to minimize conflict in the organization managers should be expand resources, change personnel structure of the organization, confronting and negotiating( involvement of an open discussion of problem solutions, and the outcome often is an exchange in which both parties work toward a mutually beneficial solution) and preparing super ordinate goals which is more important to both parties in a conflict than their individual or group goals.

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Similarly, McShane (2004) explained that for minimizing dysfunctional conflict emphasize super ordinate goals, reduce differentiation, improve communication and understanding, reduce task interdependence, increase resources and clarify rules and procedures.

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**CHAPTER THREE**

**3. METHODOLOGY OF THE STUDY**

* 1. **Design of the study**

Since the researcher intends to investigate the major causes and its effect on organizational performance in some selected public organization in Amhara region both qualitative and quantitative methods will be employed. The study will be survey research design which is convenient for examining particular practices and survey research design is widely used as it is inexpensive and useful in collecting large amount of data in short period of time. It provides numerical description of trends, attitudes, or opinions of a population.

**3.2 Data Source**

The investigator wants to find out the causes of conflict and its effects on the organizational performance. To asses this, the researcher will conduct a study in Amhara National Regional State Bureau of Trade, Industry and Investment Promotion, Micro & Small Enterprise Development Agency and Transport Authority. The main source of information will be head of the sector, managers, processes owners and employees in the organization.

**3.3 Sample Size and Sampling Techniques**

In order to conduct the study, the sample size will be drawn from the governmental organization namely Bureau of Trade, Industry and Investment Promotion, micro and small Enterprise Development Agency and Transport Authority in Amhara National Regional State. These organizations are purposefully selected because the researcher of this study is now working in this sector, so it is easy to follow up and to get easily the targeted population.

Simple random sampling method will be applied to select the samples. The sample includes organizational managers, head, process owners and employees who are working from core process and supporting staff. Accordingly, 74 employees out of 213 in the three organizations will be selected by simple random sampling technique for it enables the researcher to obtain relatively representative sample. In this case, each and every member of the population has an equal and independent chance of being selected using a table of random lists. All two managers, two heads and nine process owners of the selected organizations will be taken from the authorities.

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**Table 1**

Total Authorities, employees and the respective sample Authorities and Employees from the Sample Organizations.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Name of the sample Organization | Total No. of employees | Total No. of Authorities | Sample |
| Authorities | Employees |
| F | M | T | F | M | T | F | M | T | F | M | T |
| 1. | Trade, Industry and Investment Promotion Bureau | 33 | 43 | 76 | 1 | 7 | 8 | 1 | 7 | 8 | 8 | 12 | 20 |
| 2. | Micro and Small Enterprise Development Agency | 40 | 50 | 90 | 1 | 6 | 7 | 1 | 6 | 7 | 10 | 15 | 25 |
| 3. | Transport Authority | 7 | 18 | 25 | - | 7 | 7 | - | 7 | 7 | 2 | 5 | 7 |
|  | Total | 80 | 111 | 191 | 2 | 20 | 22 | 2 | 20 | 22 | 20 | 32 | 52 |

**Source:** Trade, Industry and promotion sector, 2002 E.C Annual report

Totally 74 (M=52 & F=22) subjects out of 213 ( M=131 & F=82) will be selected.

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**3.4 Data gathering Tools**

To achieve the objective of this study the researcher will use primary data and document analysis. In the primary data, questionnaires and interviews will be used. The document analysis will be focused on availability of system to forward grievance or conflict, system of resolving conflict, system to minimize causes of conflict etc. This will be helped triangulate data collected and analyzed from sources.

 **3.4.1 Questionnaires**

For process owners and employees (from core process and supporting staff), seven item to identify the bio data of the respondents will be designed in order to get background of the respondents related to basic research questions and 40 items in three categories ( five point scaling items ranging from very high to very low or on three point scale with degree, moderately agree & disagree or on two point scale with yes/no) will be developed followed by one open ended items to enable participants forward their free idea regarding the causes of conflict, way of minimizing & resolving conflicts and effects of conflicts. The questionnaire will be gathered and tallied by the investigator and trained assistants and the refined data will be entered computer for analysis for followed by interpretation of the obtained result. The medium of language will be Amharic.

 **3.4.2 Interviews**

A total of seven interview questionnaires will be developed for the head and deputy head of Trade, Industry and Investment promotion sector, manager of Transport authority and micro and small enterprise development agency, and for all process owners under the organizations. The interview will be based on the interview response to general practice and issue focusing on the help major causes of conflict, types, effects and ways of resolving and reducing conflicts. The interview with these subjects will be semi-structured person to person conversation. In each interview the sequence of event will be similar. All interviews will be taped. Immediately after each interview & discussion, the researcher reviewed the tape and notes taken during the conversation.

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**3.5 Methods of Data Analysis**

The gathered data which will be collected by data gathering tools- questionnaire, document analysis and interview will be analyzed by using qualitative and quantitative approach. The data collected through questionnaire will be tabulated and statistical package for social science (SPSS) will be used to undertake the analysis of the quantitative data obtained. Based on SPSS simple description such as mean scores, standard deviations and t-test will be utilized. This statistical procedure will be used to compare the two categories of participants (Authorities and employees of the selected organization) in terms of means scores. Moreover, t-test will be used to compare the mean scores of male & female respondents. For data gathered through interview, open ended questionnaire and document analysis will be analyzed by qualitative approach on a narrative description basis.

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**በአማራ ብሔራዊ ክልላዊ መንግስት የንግድ፣ኢንዱስትሪና ኢንቨስትመንት ማስፋፊያ ዘርፍ (2002 ዓ.ም) የ2002 በጀት ዓመት የዕቅድ አፈጻጸም ሪፖርት፣ ባህር ዳር**

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**Research Plan**

In order to perform any activity there should be resources. Human, time, material and financial resources are the main one. Similarly, to conduct research efficiently and effectively it needs different kinds of resources. So, the researchers of this study estimate the amount of cost and time as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Research Activities** | **Time in months/week** | **Cost in dollars** | **Remark** |
| 1. | Identify the research problem | One months (July 2010) | 37 USD |  |
| 2. | Prepare research proposal with review literature | Two months (August and September) | 109 USD |  |
| 3. | Rearrange and finalize the research proposal after the comment of the advisor | Two months from October 2010 up to November 2010 | 37 USD | Research proposal stay for two months |
| 4. | Prepare and dispatch questionnaires, and collect data | Two months ( December 2010 up to January 2011) | 292 USD |  |
| 5. | Analyze of the data | Two months ( February and March 2011) | 73 USD |  |
| 6. | Writing summary, conclusion and recommendation | Two weeks (In April 2011, 1st and 2nd weeks) | 37 USD |  |
| 7. | Organizing the final research document | Two weeks (In April 2011, 3rd and 4th weeks) | 146 USD |  |
|  | Total | Ten months | 731 USD |  |

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The source of budget is from the government and it is used for:

* Stationary materials
* Secretary
* data collectors
* Telephone and transport
* Advisory fee
* Contingency

The time depends on the advisor who approves the research proposal. Because the advisor may take more time to give comment and to approve the research proposal.

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