

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

**AN ASSESSMENT OF CONFLICT MANAGEMENT
PRACTICE IN UNITED BANK SHARE COMPANY**

**BY
ASKALE BELAY**

***JUNE 2011
SMUC
ADDJS ABABA***

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PRACTICE IN UNITED BANK SHARE COMPANY**

**A SENIOR ESSAY SUBMITTED TO
THE DEPARTMENT OF MANAGEMENT
BUSINESS FACULTY
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FOR THE DEGREE OF BACHELOR OF ARTS IN
MANAGEMENT**

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DECLARATION

I, the undersigned, declare that this senior essay/project is my original work, prepared under the guidance of Ato Biruk G. all sources of materials used for the manuscript have been duly acknowledged.

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Date of Submission: _____

SUBMISSION APPROVAL SHEET

This senior research paper has been submitted for examination with my approval as an advisor.

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Aaccronyouns

UB S.C – United Bank Share Company

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Conflict management refers to the way of handling disagreement, grievances, disputes which arises between individuals, groups and organizational. Individual conflict exists between people having different styles of communication behavior, ambition, political and or religious views and different cultural backgrounds. A group conflict emphasizes the things that make their group better from other group. And organizational conflict exists when there is scarcity of resources, mistreatment of interests, unfair distribution of work, different values and perceptions and lack of teamwork. (Avilable at <http://www> on Dec.23, 2010). Conflict as it has wide meaning and many definitions different school of thoughts contribute their views about conflict Rbbinson, (2000:384) stated the view of three schools of thoughts as follows:

- According to traditional view in the early 1930s and 1940s conflict was seen as bad and having inconvenience meaning like violence, destruction and irrationality and negative effect and was defined as harmful. Therefore, it was to be avoided.
- In the human relations approach from the late 1940s through the mid 1970s, accepted that conflict was natural and inevitable it should not be avoided. Rather there may be times that conflict being benefits a group's performance.
- In the interationist view recent times, encourages conflict to create harmonious, peaceful and cooperative between

individuals and groups to perform better and become innovators. However, to conclude whether conflict is good or bad depends on the type of conflict.

As an organization is a state of universe having employees with different behavior, perception, intellectual and culture, interpersonal conflict exists as usual phenomena on the ground of common task interest. Therefore, this study will focus on Organizational conflict handling in united Bank share company (UB)

United Bank S.C. was incorporated as a share company on 10 September 1998. Today, it is a full service bank that offers its customers a full range of commercial banking service with a net work that includes 45 branch offices out of which 28 branch offices are located in Addis Ababa and the rest 17 are outside Addis.

1.2 Statement of the Problem

Conflict is an important to an organization in increasing its performance as well as employees productivity. However, there are situations influencing its negative side being dominant. Like other organizations, UB is an organization composed of employees with different interest and unique characteristics shaped by cultural, social, environmental and educational background, under similar organizational goals and objectives. These heterogeneous factors leads to affect the interaction negatively between and or among individuals and groups in the organization while performing their daily activity. Consequently, this situation affects the organizations' performance & productivity.

Therefore, the purpose of this paper is to assess the major factors that contributed conflict in UB and to suggest ways and means of minimizing as well as handling the negative effect of conflict.

1.3 Research Questions

- What types of conflict exists in the United Bank Share Company?
- What are the main sources of conflict exist between individuals and groups in United Bank S.C.?
- What are the effects of conflict on the organization and employees performance?
- What is the role of management and mechanisms taken towards conflict?

1.4 Objective of the Study

1.4.1. General Objective

The general objective of this study is to assess the conflict management practices in UB.

1.4.2 Specific Objectives

The specific objectives of the study were:

- To investigate the sources of conflict
- To investigate the type of conflict exists in the organization.
- To examine the role of the management on the resolution of conflict in the organization.
- To assess the conflict handling mechanism

- To examine the effect of conflict on the employees' and organizations' performance.

1.5 Significance of the Study

- The paper may help the United Bank Share Company being aware of the sources and give solutions for the conflict.
- The study will create understanding of the meaning of conflict management as it is the bridge which helps the individuals and organization passing to change management.
- It would help to change the minds of others those who assume that conflict only has a negative side.
- It may encourage others, who are interested to continue further study.

1.6 Delimitation of the Study

As its very nature, conflict exists in all branch offices and employees at all levels. But to delimit the study due to time constraint, the student researcher focused on four selected branch offices in Addis Ababa, namely: Wellosefer, Bole, Lideta and Legehar branches. The study covers for the last three years time period.

1.7 Definition of Terms

Conflict: Is any situation in which incompatible goals attitudes, emotions, or behaviors lead to disagreement or opposition between two or more parts (Nelson Quick 2000:422)

Conflict Management: The use of resolution and stimulations techniques to achieved the desired level of conflict. (Robbinson, 2000:392)

1.8 Research Design and Methodology

1.8.1 Research Design

The research method was descriptive. Because the method is using to describe the conflict management practice of United Bank S.C.

1.8.2 Population and Sampling Technique

Currently the bank has 28 branch offices in Addis Ababa excluding those branches outside Addis. Due to time & other constraints the sample selection is focused on four branch offices in Addis. The student researcher believes that the selected branch offices represent the total number of branches located in Addis. Therefore, the selected four branch offices had a total population of 176 employees. The sample size was determined 50% of the population. In each branch twenty two employees were contacted. Two managers (Mangers and Assistant Managers) the rest twenty were subordinates who has diploma and above. In addition from the top management, human resource manager was contacted

The student researcher was used stratified sampling which is listed below:

Branch Name	No. Of Employees (Population)	Sample
Wellosefer	44	22
Bole	44	22
Ledeta	44	22
Legehar	44	22
Total	176	88

1.8.3. Types of Data Collected

In the research the data type was both primary and secondary. The primary data include observation, interview, and questionnaire to obtain first hand information. The secondary data was focused on organizational documents to substantiate the first hand information.

1.8.4 Methods of Data Collection

The method of data collection was questionnaire and interview. The questionnaires were distributed to subordinates in each branch offices. In order to get sample information, the questionnaire was contained both open and close ended types. The interview was conducted to the second group or the management including the Human Resource Manager.

1.8.5 Data Analysis Method

Both quantitative and qualitative approaches were used to analyze the data. The data collected from the questionnaire in the form of close-ended type was presented in the form of percentage. And the open – ended type and interview was elaborated.

1.9 Limitation of the Study

There were some factors that affected the study not to be carried out as was expected. Among these factors time constraint was the major one.

1.10 Organization of the study

The research paper is organized in four chapters. The first chapter consists of introduction, which include background of the study, statement of the problem, objective, significance, scope of the study, methodology, Limitation of the study, and organization of the paper. Chapter two consists of review of related literature. Chapter three consists of data analysis and presentation. The last chapter deals with summary, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Meaning and Nature of Conflict

To meet the organization its' goals and objectives healthy and smooth relationship between individuals, groups and departments is essential and unquestionable. However, by its very nature, conflict arises between the parties mentioned above in the organization in performing their daily activities. Cook and Hunsaker (2001:374) shared this idea as follows:

Conflict is a disagreement between two or more parties for example individuals, groups, departments, organizations, countries-Who perceive that they have incompatible concerns. Conflicts exist whenever an action by one party is perceived as preventing or interfering with the goals, needs, or actions of another party. Conflicts can arise over a multiple of organizational experiences, such as incompatible goals, differences in the interpretation of facts, negative feelings, differences of values and philosophies, or disputes over shared resources.

The above definition indicates conflict has negative effect. This happens when task related conflicts are considered as personal. And this leads to colleagues ignoring each other, contradicting and bad-mouthing one another, undermining or not co-operating with each other, refusing orders by superiors, considered one group as right and the other is not etc. such doings affects both parties in the organization and the consequences will be conflict is seen as bad as well as dysfunctional.

Nelson and Quick (2000:423) "explains dysfunctional conflict is unhealthy destructive disagreement between two or more people. Its danger is that it takes the focus away from the work to be done and places the focus on the conflict itself and the parties involved."

The result of the dysfunctional will be affecting productivity, lowers moral, causes more and continued conflict, and causes unwanted behavior.

On the other hand, if the issue of task related conflict is separated from personal the result will be positive as well as functional. And this leads to bring change. Like growth and innovation, new ways of thinking, additional management option, raise and address problems etc. Nelson and Quick (2000:424) stated functional conflict as follows:

Functional conflict is a healthy, constructive disagreement between two or more people. Functional conflict can produce new ideas, learning, and growth among individuals. When individuals engaged in constructive conflict, they develop a better awareness of themselves and others. In addition, functional conflict can improve working relationships, because when two parties work through their disagreements, they feel they have accomplished something together.

2.2 Types of Conflicts

In general there are three types of conflicts intrapersonal, interpersonal and intergroup conflicts. However, to meet the objectives of this paper, the student researcher will focus on interpersonal and intergroup conflicts.

2.2.1 Interpersonal Conflict-

Exists between two or more peoples having different interest, behavior perception etc usually interpersonal conflicts takes place between employees in an organization which resulted negative effect and serious problem. Nirmal Singh (2000:207) explains this idea as follows:

“Interpersonal conflicts are serious problems to many people because they deeply affect a person’s emotions. There is a need to protect one’s self image and self esteem from damage by others. When these self-concepts are threatened, serious upset occur and relationships deteriorate. Some times the temperaments of two persons are incompatible and their personalities clash. In other instance, conflicts develop from failures of communication or differences in perception.”

2.2.2 Intergroup Conflict-

Exist between groups, teams or departments in an organization due to scarce resources and other factor. A group conflict emphasizes the things that make their group better from other groups.

IBD. Intergroup conflicts between different departments also cause problems on a minor scale these are some thing like the wars between Juvenile gangs. Each group sets out to undermine the other, gain power and improved its image. Conflicts arise from such cause as different viewpoints group loyalties, and competition for resources. Resources are limited in any organization. Since most groups feel that they need more than they can secure, the seeds of inter group conflict exist wherever there are limited resources. For example then

production department may want new and more efficient machinery, while the sales department wants to expand its sales force, but there are only enough resources to supply the needs of one group.

2.3 Sources of Conflict

Conflict can arise from many types of sources. Vecchio (2003:231) has categorized as follows:

2.3.1 Communication Barrier

Is creating unclear communication or misunderstanding between individuals and or groups. It might be language problem and not give an attention to the other party while transmitting information or an order. The result is incorrect and ambiguous information and this can be lead to conflict.

Nelson and Quick cited in Vecchio (2000:427) Explains communication barrier as follows:

Communication barriers such as physical separation and language can create distortions in message, and these can lead to conflict. Another communication barrier is value judgment, in which a listener assigns a worth to a message before it is received.

Defensive communication in organization leads to a wide range of problem, including injured feelings, communication breakdowns, alienation in working relationships, destructive and retaliatory behaviors, nonproductive efforts, and problem solving failures, when such problem arise in organizations, every one is prone to blame

everyone else for what is not working (Nelson and Quick cited Vecchio, 2003:259).

2.3.2 Structural Factors

Vecchio (2003:232-233) identified seven types of structural factor that contributes to conflict. Size, staff heterogeneity, participation, line-staff distinction, reward systems, resource interdependence and power.

- **Size:** there is fairly consistent evidence suggesting that conflict is greater in larger organizations. It is likely that increases in size are associated with less goal clarity, greater formality, increased specialization, more supervisory levels, and increased opportunities for information to become distorted as it passes through more levels.
- **Staff heterogeneity:** It appears that differences among staff members in terms of authority, longevity, and values may also be sources of conflict. Differences among staff members, however, can also have beneficial effects on performance.
- **Participation:** one might expect the greater subordinate participation (for example, in decision making) would reduce conflict. From a human relations perspective; one might even argue that inviting subordinates to participate can satisfy a possible drive to be fully involved. Research on this topic, however, has shown that just the opposite is true. When subordinate participation is greater, levels on conflict tend to be higher.
- **Line-Staff Distinctions:** Line units perform jobs that are directly related to core activities of the organization. Staff units perform jobs that support the line function. Conflict occurs between many

- line and staff divisions because of the functions they perform, their differing goals, and the values and backgrounds of their members.
- **Reward Systems:** If one party obtains rewards, at the expense of another party, conflict can be easily generated. This form of conflict can arise among individuals and groups as well as among entire organizations.
 - **Resource Interdependence:** Typically, groups must compete for the resources of their organization. With a growing supply of money and other resources, such as space, equipment, and materials, conflicts may not arise. However, such bountifulness is not the norm for organizations. As a result, conflict and the resulting lack of coordination and cooperation between divisions exist.
 - **Power:** The distribution of power within an organization can also be a source of conflict. If a group feels that it possesses far less power than it should, or if it believes that an excessive amount of power is held by another group, it is likely to challenge the existing order.

2.3.3 Personal Behavior Factors

Are differences among individuals and arises from different angles. Nelson and Quick (2000:426-427) sub divided personal factors in to six, skills and abilities, personalities, perceptions, value and ethics, emotions and cultural differences.

- **Skills and Abilities:** The workforce is composed of individuals with varying levels of skills and ability. Diversity in skills and abilities may be positive for the organization, but it also holds potential for conflict, especially when jobs are interdependent.

Experienced, competent workers may find it difficult to work alongside new and unskilled recruits.

- **Personalities:** Personality conflicts are realities in an organization. Individuals do not leave their personalities at the doorstep when they enter the workplace. One personality trait that many people find difficult to deal with is abrasiveness. An abrasive person is one who ignore the interpersonal aspects of work and feelings of colleagues. Abrasive individuals are often achievement oriented and hardworking, but their perfection list, critical style often leaves others feeling unimportant. This style creates stress and strain for those around the abrasive person.
- **Perceptions:** Difference in perception can also lead to conflict. One area in which perceptions can differ is the perception of what motivates employees. If managers and workers do not have a shared perception of what motivates people, the reward system can create conflicts.
- **Values and Ethics:** Differences in values and ethics can be sources of disagreement. When conflicts about values or ethics do arise, heated disagreement is common because of the personal nature of these differences.
- **Emotions:** The moods of others can be a source of conflict in the workplace. Problems at home often spill over into the work area, and the related moods can be hard for others to deal with.
- **Cultural Differences:** While cultural differences are assets in organizations, sometimes they can be seen as source of conflict. Often, these conflicts stem from a lack of understanding of another culture.

2.4 Stages of Conflict

As conflict arises between parties and if no solution is given it grows step by step to the highest stages.

The stages of conflict have been discussed by Kook and Hunsaker (2001:375-376) as follows:

Stage 1: Latent Conflict: Latent conflict often arises when a change occurs. Conflict might be caused by a budget cutback, a change in organizational direction, a change in personal goal, the assignment of a new project to an already overloaded workforce, or an expected occurrence (such as a salary increase) that doesn't happen.

Stage 2: Perceived Conflict: This is the point at which members become aware of a problem. Incompatibility of needs is perceived and tension begins as the parties begin to worry about what will happen. At this point, however, no one feels that anything that they care about is actually being overtly threatened.

Stage 3: Felt Conflict: Now the parties become emotionally involved and begin to focus on differences of opinion and opposing interests, sharpening perceived conflict. Internal tensions and frustrations begin to crystallize around specific, defined issues, and people begin to build an emotional commitment to their particular position.

Stage 4: Manifest Conflict: Actions can range from minor disagreeing, questioning, and challenging at one end of the conflict-intensity continuum, to verbal attacks, threats, ultimatums, physical attacks, and even efforts to destroy the other party at the other end.

Stage 5: Conflict Outcomes: The interactions of the conflicting parties in the manifest conflict stages result in outcomes that can be functional or dysfunctional for one or both parties. As conflict

proceeds through the stages, functional resolution becomes more difficult. The parties become more locked into their positions and more convinced that the conflict is a win-lose situation. It is usually easier to achieve positive collaboration and win-win outcomes when the conflict is recognized early before frustration and other negative sentiments set in.

2.5 Consequence of Conflict

As said earlier, the outcome of conflict is both positive and negative.

2.5.1 Positive Consequences of Conflict

- **Major Stimulant for change:** Conflict spotlights the problems that demand attention, forces clarification of their nature and channels organizational efforts toward finding better solutions. It initiates a search for ways to polish and refine objective, methods and activities.
- **Group Think is Avoided:** without strong vocal disagreement, group think could overpower a highly cohesive group, preventing it from making rational decisions based on fact. Conflict also counteracts the lethargy that often overtakes organization.
- **Cohesion and Satisfaction;** Inter-group conflict and competition drives groups closer together. Under conditions of mild inter-group conflict, group membership can be very satisfying to members. The whole purpose and internal unity of athletic groups, for example, would disappear if there were no conflict.
- **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 balance power relationship between departments. It also helps individuals in reducing accumulated ill-feelings and tensions between them.

2.5.2 Negative Consequences of Conflict

- **Conflict Creates Stress in People:** Conflict exacts its toll on the physical and mental health of the combatants. Intense conflicts generate feelings of anxiety, guilt, frustration and hostility.
- **Diversion of Energy:** One of the most dreadful consequences of conflict is the diversion of the group's time and effort toward winning the conflict rather than toward achieving organizational goals. Parties focus on their own narrow interests and tend to put their own aims above those of the organization.
- **Instability and Chaos:** Under intense conflicts collaboration across individuals, groups and departments decreases or vanishes. Tensions will continue to mount up and each new conflict will split organization subunits further apart leading to communication breakdowns. (Kumar 2003:307-308).

2.6 Importance of Conflict Management

Managing organizational conflicts is an essential practice towards healthy relationship between individuals and or groups to obtain the organizational objectives. That is why-estimates show that managers spend about 21 percent of their time dealing with conflict. That is the equivalent of one day every week. And conflict management skills are a major predictor of managerial success. Emotional intelligence (EQ) relates to the ability to manage conflict. Conflict management skills may be more a reflection of EQ than of IQ. People who lack emotional

intelligence, especially empathy or ability to see life from another person's perspective are more likely to be cause of conflict than managers of conflict. (Nelson and Quick 2000:422)

2.7 Conflict Management Techniques

While conflicts arise between individuals and or groups in organization, managers may handle such conflicts by using different mechanisms. Kumar (2003:319) suggests five conflict management techniques. Problem-solving, avoidance, smoothing, compromise and confrontation.

- **Problem-Solving:** The conflicting parties must come together with the responsibilities of solving the mutual problem that faces rather than merely finding a way to accumulate their different perspectives.
- **Avoidance:** Parties to the conflict may either withdraw form the conflict or conceal the incompatibility. Withdrawal may be observed when one party leaves the field of conflict so that other party may win by being in sole possession of the goal in dispute.
- **Smoothing:** The process of playing down differences that exist between individuals or groups while emphasizing common interests. Differences are suppressed and similarities are accentuated in smoothing process.
- **Compromise:** Is well-accepted technique for resolving conflict, yielding neither a definite loser not a distinct winner. Included here are external or their-party intervention, plus internal compromise between conflicting parties through both total-group and representative negotiation and voting.

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 situation. Confrontation may be used for organization development and increasing organizational effectiveness.

2.8 Coordination Strategies for Avoiding Inter-group

- According to Cook and Hunsaker, (2001:397) there are seven strategies. Rules and procedures, hierarchy, Planning, Liaison, roles, Task forces, Teams and Integrating.
- **Rules and Procedure:** One of the simplest and least costly ways of avoiding inter-group conflict is to spell out in advance the required activities and behaviors in the form of rules and procedures. Written standards tell interacting parties what to do in specific situation to ensure adequate performance and avoid having to work things through each time.
- **Hierarchy:** when rules and procedures are not sufficient for coping with inter-group problems, conflict can be passed up the hierarchy to a common superior for resolution. If conflict arises between copywriters and graphic designers in an advertising department.

For example, the advertising production manager may intervene as mediator. But if the sales force perceives conflict with the entire advertising operation, the vice president in charge of marketing may have to resolve the issue.

- **Planning:** In more complex situations, coordinating inter-group activities requires more than rules, procedures, or hierarchies.

Planning can be essential to task accomplishment when it is necessary to determine in advance to goals, roles, and responsibilities of all group that need to cooperate.

- **Liaison Roles:** A party that expedites lateral communication between interacting groups by circumventing formal organizational boundaries. When a number of interactions between several groups become frequent or complex, organizations often establish coordinating personnel to handle these ongoing interaction requirements.
- **Task Forces:** when several groups interact overtime in a complex situation, and other way of facilitating cooperation is to establish a temporary task forces made up on one or more individuals from each of the interacting units. This group investigates problems, suggest, solutions and facilities communication among all group involved. When the problem or task has been completed, the task group disbands and members return to their respective groups and resume their normal activities.
- **Teams:** When several groups must interact in a complex situation over a long period of time, more permanent teams can be formed to manage inter-group activities. Team members maintain their original roles in their functional department in addition to their new ones as coordinating team members.
- **Integrating Departments:** when complexity of information flows between several interacting groups is beyond the capacity of plans temporary task forces, or permanent teams an entire integrating department can be established. These are permanent departments with full-time individuals whose only responsibility is the effective coordination of inter-group activities.

CHAPTER THREE

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with presentation, analysis and interpretation of the data gathered from the respondents. The necessary data was obtained from the Human Resource Manager, Branch Manager & employees of United Bank S.C. The research method was descriptive survey method and the instruments for data collection were questionnaire, interview and observation. The sampling was random sampling.

Eighty copies of questionnaire were distributed to eighty employees in four branch offices. Among these groups seventy four respondents completed and returned back the questionnaire. And only six questionnaires were not returned. The questions in the questionnaire were both close-ended and open-ended. The second groups of respondents were eight Branch Managers and Human Resource Manager. The method for data collection was interview. The total populations in the selected branch offices were 176.

3.1. General Characteristics of Respondents

Table 1 – Background of Respondents

Item No.	Questions	Respondents	
		No.	%
1	Sex		
	• Male	62	83.78
	• Female	12	16.22
	Total	74	100
2	Age		
	• 18-25	9	12.16
	• 26-33	58	78.38
	• 34-41	5	6.76
	• Above 41	2	2.70
	Total	74	100
3	Level of Education		
	• Diploma	15	20.27
	• Degree	57	77.03
	• Above Degree	2	2.70
	Total	74	100
4	Work Experience		
	• Below 5 years	49	66.22
	• 5-10 years	22	29.73
	• Above 10 years	3	4.05
	Total	74	100

Source: Primary data

Item 1 of table 1 indicates that, 83.78% of the sample populations are males while the rest 16.22% are females. Here, the student researcher can observe that the number of males in the branch offices is greater than females. This situation may reduce the existence of conflict between the employees.

Item 2 of the same table shows 78.38%, 12.16%, 6.76% and 2.7% are between the age of 26-33, 18-25, 34-41 and above 41 respectively. This indicates that among the age distribution, the greater number is found in the productive age group that is 26-33. This age group may ignore conflict and focuses on increasing productivity.

As far as the educational level of the respondents is concerned in the same table item 3, degree holders are 77.03%, diploma graduates 20.27% and the rest 2.70% are above degree. This shows that most of the respondents are found in degree level while above degree graduates are few in number. Though employees having above degree are few in number it is to be concluded that, most of the employees in the UB are highly educated. This may help them to have better understanding about conflict.

In the same table item 4, can be seen that 66.22% respondents are with work experience of less than 5 years. The other 29.73% are between 5-10 years and the rest 4.05% found above 10 years. From this one can conclude that, majority of the employees in the UB are with less work experience. These employees might have much more chance to exercise conflict those these employees having long work experience.

3.2. Analysis of the Findings of the Study

Table 2 - Points about Conflict by the Respondents View

Item No.	Questions	Respondents	
		No.	%
1	Have you ever seen conflict in the branch?		
	• Yes	56	75.68
	• No	18	24.32
	Total	74	100
2	Conflict occurs frequently in the branch		
	• Very frequently	-	-
	• Frequently	56	75.68
	• Rarely	12	16.21
	• Never	6	8.11
	Total	74	100
3	In which parties, conflict exists frequently?		
	• Between employees and managers	12	16.22
	• Between employees each other	39	52.70
	• Between managers	-	-
	• Between employees and customers	20	27.03
	• Between Departments	3	4.05
	Total	74	100
4	Do you think that conflict has only negative effect?		
	• Yes	17	22.97
	• No	57	77.03
	Total	74	100

Source: Primary data

According to item 1 of table 2, majority of the respondents i.e., 75.68% of the respondents said that they had seen conflict in their branch offices. While the rest 24.32% had not. From this table one can see that, as long as people work together there is always conflict between them to reach common goal of the organization.

Item 2 of the same table, 77.03% of the respondents conformed that, conflict occurs frequently. While the other 14.86% and 8.11% responded rarely and never respectively. But no respondents said conflict occurs very frequently. From the respondents point of view, though conflict exists most of the time in the work place, it occurs not very frequently.

Item 3 of the same table 52.7% of the respondents indicated that conflict exists frequently between employees each other. The other 27.03% of them disclosed that between employees and customers. While the other 16.22% responded between employees and managers. The rest 4.05% indicated between departments. But, no respondents said between managers. As indicated above the highest percentage of frequency of conflict is between employees each other and between employees and customers. This is due to the nature of working area which creates high frequency of interaction between the parties.

Item 4 of the same table, 77.03% of the respondents conformed that conflict has positive impact. The rest 22.97% respondents in the contrary said that it has only negative impact. The other respondents i.e., all the managers, on their interview revealed conflict has not only negative impact. Rather sometimes conflict helps the organization to diagnose its problems and also help as input to improve the employees as well as the organizations' performance. The other respondent i.e., the Human Resource Manager from the interview also

agree with the idea of the managers. And the explanation was as follows:

“Because it is through conflict that the awareness of the need for some necessary changes can be made at work or it helps in making necessary changes with the work environment.”

The response of the above three groups of respondents shows that, conflict has much more positive side than its’ negative effect.

Table 3 - The type of Conflict by the Respondents View

Item No.	Questions	Respondents	
		No.	%
1	If your answer for question no. 1 is yes, what type of conflict mostly seen in the branch?		
	• Individually (Interpersonal)	40	54.05
	• Inter-group (Departmental)	22	29.73
	• Organizational (With organizations)	3	4.05
	• Intrapersonal (Self)	9	12.17
	Total	74	100

Source: Primary data

As indicated the above table, 54.05% respondents revealed that they have mostly seen individually (interpersonal) type of conflict. While the other 29.73% respondents said that intergroup (Departmental) conflict have been seen. The rest 12.17% and 4.05% replied intrapersonal (self) and organizational (with organization) type of conflicts seen respectively. On the other hand, the majority 87.5% of the other group of respondents i.e., Branch Managers on their interview conformed that, the type of conflict occurred in their branch

offices between employees each other (individual) and between departments (intergroup) seen repeatedly. In addition they stated conflict occurred also between employees and customers when the service levels do not meet the customer's satisfaction. In contrary 12.5% of the respondents conformed that there is no any type of conflict occurred in the branch. The other respondent, i.e., the HRM explained mostly conflict occurred in the organization between employees and managers due to lack of knowledge and information about administration process and procedures so that, sometimes do not meet the employees expectations such as benefits, salary & promotion. In addition employees informal relationship and repetitive negative behavior. As can be observed from the table and interview all types of conflict exist in the branch offices. But the highest percentage is interpersonal and next to this is an intergroup conflict. This is because of the nature of the work i.e., team work and creates high frequency of interaction between the employees.

Table 4 - Departmental Conflict by the Respondents View

Item No.	Questions	Respondents	
		No.	%
1	Causes for inter-group (departmental) conflict		
	• Delayance of reports	15	20.27
	• Communication barrier	28	37.84
	• Thinking own activity much more correct than others	23	31.08
	• Others	8	10.81
	Total	74	100

Source: Primary data

As can be seen from the above table, 37.84% of the respondents declared that the cause for intergroup (departmental) conflict is communication barrier. 31.08% respondents also states that because of thinking own activity much more correct than others. While 20.27% of the respondents replied delayance of reports. The rest 10.81% responded the choice, “others” but they didn’t give an explanation. The other group of respondents i.e., 75% of the managers on their interview shared the idea of the employees as indicated in the above table, the cause for departmental conflict mostly are both communication barrier and violating the Banks’ policy and procedures resulting delayance of reports. The rest 25% of the respondents stated the cause for departmental conflict is scarce of resource and overlapping authority. As indicated in the table the highest percentages for the causes of departmental conflict is communication barrier and thinking own activity much more correct and others not. From this can be seen that, the other side party consider its’ department as if perfect on the other.

Table 5 - Effect of Conflict on Employees

Item No.	Questions	Respondents
		%
1	Please rank the main source of conflict in the branch	
	• Dissatisfaction of work	17.57
	• Work load	16.22
	• Individual difference	20.27
	• Leadership problem	24.32
	• Communication barrier	21.62
	Total	100

2	Please rank the effect of conflict on the employee		
	• Absenteeism	25.67	
	• Turnover	28.38	
	• Less productivity	45.95	
	Total	100	
		Respondents	
		No.	%
3	Had you ever been participated in the training about conflict?		
	• Yes	9	12.16
	• No	65	87.84
	Total	74	100

Source: Primary data

On table 5 item 1, 24.32% of the respondents conformed that the source of conflict is leadership problem. The other 21.62% respondents said it is communication barrier. 20.27% of them replied individual difference. While the 17.57% stated dissatisfaction of work. The rest 16.22% disclosed the source of conflict is work load. The other group of respondents i.e., the managers on their interview, the majority 87.5% of them replied the main sources of conflict are unfair distribution of work and unequal treatment (leadership problem), workload and communication barrier. The points mentioned above and including other factors such as assignment of work without interest, being not promotion benefited and other resulted on the employee's dissatisfaction of work. Among the groups 12.5% respondent conformed that as long as no conflict in the branch, there is also no source of conflict. As can be understand from the table and

interview, among the sources of conflict leadership problem and communication barrier scored the highest percentage. From this can be observed that, the work load is not distributed among the employees fairly and communicably.

Item 2 of the same table, the highest percentage i.e. 45.95% of the respondents declared that the effect of conflict on employees is less productivity. While the 28.38% respondents said the effect is turnover. The rest 25.67% of them replied absenteeism. The other group i.e., managers 62.5%, 25% and 12.5% of them assure on their interview that, the effect of conflict on the employee are less productivity, turnover and absenteeism respectively. On the other hand, the Human Resource Manager from the interview also strengthen the managers idea by declared the effect of conflict on the employee is resignation from the job, damage relationships and discouraged to work and develop the feeling of being layoff. From the respondent's point of view, can be seen that, the employee applied all the effects but, the highest ones are less productivity and turnover.

Item 3 of the same table, 87.84% of the respondents said they never been participated in the training. While the rest 12.16% were participated. This issue was also raised to the HRM in the form of interview and the response was no training provided to the employees. But the reason for this was not explained. From all the above information, it is possible to say that, no training about conflict was provided to the employees.

Table 6 - Effect of Conflict on the Branch Performance

Item No.	Questions	Respondents	
		No.	%
1	The effect of conflict on the branch		
	• Minimizes profit	36	48.65
	• Reduce customers	22	29.73
	• Decreases goodwill	16	21.62
	Total	74	100

Source: Primary data

The above table indicates that, 48.65% of the respondents revealed the effect of conflict minimizes the branches' profit. The other 29.73% respondents declared that, the branches' customers reduce. While the rest 21.62% of them stated the branches' goodwill decreases. From the manager's point of view on their interview, all of them agreed with the effect of conflict both positively and negatively affected the branch performance. However, the negative effect outweighs the positive effect. Therefore, the negative effects on the branches' performance are reduction on efficiency, lack of discharging responsibility and customer's reduction. As a result decreases good will and minimizes profit. The Human Resource Manager from the interview also said the effect of conflict on the organization as a whole is wastage of time and reduction of human resources. It is to be observed that, all the respondents except the Human Resource Manager have similar ideas on the effects which are listed above. As a result profit minimization scored the highest percentage.

Table 7 - Role and Mechanism of Managers by the Respondents

Item No.	Questions	Respondents	
		No.	%
1	While conflict exists between employees, do you agree that the response of the managers is fair and based on the rules and procedures of the organization		
	• Highly agree	14	18.92
	• Agree	20	27.03
	• Disagree	32	43.24
	• Highly disagree	8	10.81
	Total	74	100

Source: Primary data

Table 7 indicates that, 43.24% of the respondents conformed as they disagree with the above statement. The other 27.03% respondents agree and 18.92% of them replied highly agree. While the rest 10.81% of them declared highly disagree. As can be observed from the above table the percentages of the negative responses (disagree and highly disagree) are greater than that of the positive responses (agree & highly agree). Based on the responses above it is possible to understand that most of the managers are failed to follow the rules and procedures of the organization.

For the question, what do you think the role of the managers while conflict exists between employees in the Branch?

The response by the employees was:

- The managers should first investigate the root cause of the conflict so as to know the source. Then in order to create conducive environment they may solve the problem by negotiating and compromising the two parties. If the problem still not solved and to be fair they should follow the rules and procedures of the organization.
- The above question also raised to the Branch Managers in the form of interview. And all the respondents explained about their role and measurement taken towards conflict in their branch offices. Basically they use various mechanisms to investigate the root cause of the conflict. Based on the findings they would try to resolve the conflict and make the employee to focus towards the common goal of the organization. If the problem not solved, depending on the degree of the conflict occurred they forced to take corrective measures based on the rules and procedures of the organization so as to give lesson to the employee.

The Human Resource Manager was asked the same question and replied on the interview “Dealing with complaints to share information about policies and procedures and clarify tasks.”

As can be observed all the above group of respondents fully agreed on the same idea have common understanding and practice on their role.

Interview Conducted with Branch Managers and Human Resource Manager

Interview was conducted with Human Resource Manager and branch managers and they were asked about their opinion about conflict.

All the respondents including the Human Resource Manager explained conflict is natural and a disagreement or argument between two or more people about one or more topics which could have positive or negative solution after discussion of two parties. And this usually practices in the place where people work together and it has both positive and negative impact in the organization. And it would be wise to take an advantage of the positive impact of conflict and minimize its' negative impact.

The second question was to share their opinion about the branch (organization) is said to be healthy without the existence of conflict.

Majority of the managers i.e., 87.5% said “No”. The explanation was as follows:

“Nothing will never go smoothly without the existence of conflict. Conflict will disclose the hidden agenda within the employees that would lead the branch to worst. Therefore, conflict is sometimes could be a good guidance to create healthy relationship between the employees and improve the performance of the branch.”

Among the respondent 12.5% replied “Yes”. The explanation was, even though conflict is sometimes important, it is not always necessary to exist in the branches. The response of the Human Resource Manager on the same issue was “No”. And the explanation was as follows:

“Conflict, work and organizations are so strongly intertwined, so we have concluded that organizations without conflict do not exist, and that conflict can not exist without people being interdependent for their task achievements.”

As can be observed from the above clear explanations organizations are not healthy without conflict.

The third question forwarded to Human Resource Manager and Branch Manager was the type of mechanisms they use to minimize as well as to eliminate conflict in their branch.

All of the managers with the similar idea explained their response, there should be times of employees meeting for discussion about how to perform the branch day to day activities and relation of the employees with in the office so that will minimize conflict not to eliminate. And they also declared that they may arrange social entertainment occasions to build team sprit between employees to increase their efficiency. The Human Resource Manager was replied the same question, by increasing resources, transfer employees form work place and review policies and procedures.

As can be understand from the above explanations the type of conflict minimizing mechanisms applied by all managers and the Human Resource Manager are good and constructive.

CHAPTER FOUR

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

4.1. Summary

The study was focused on conflict management practice in the case of United Bank Share Company. In order to meet its objective primary and secondary sources were viewed. Questionnaires were distributed to employees in four selected branch offices for those who qualified diploma and above. And interview was conducted to the HRM and Branch Managers and Assistant Managers.

Therefore, based on the data collected the study has come up with the following findings.

- ✓ According to the study the number of male employees is greater than that of females.
- ✓ As far as the education level is concerned, the study confirmed that the majority of the United Bank employees are highly qualified.
- ✓ The finding indicates that there is an existence of conflict between employees (interpersonal) conflict frequently seen in United Bank.
- ✓ The study confirmed that, no training was provided to the employees about conflict.
- ✓ According to the study the negative effect of conflict results a decrease in the profitability of the organization as well as the employee's productivity and also creates unpleasant feeling.

- ✓ According to the finding majority of the respondents said while conflict exists between employees, the response of most managers is not fair and based on the rules and procedures. On the other hand, the study declared that managers use another type of mechanism to minimize conflict that is arranging social entertainment occasions to build team spirit between employees to increase their efficiency.
- ✓ Most of the management of United Bank has better awareness on both constructive and destructive effect of conflict.
- ✓ The finding indicates that sometimes conflict helps the organization to diagnose its problems and also help as input to improve the employees' as well as the organizations performance.
- ✓ The finding indicates that the main source of individual and departmental conflict is leadership problem and communication barrier respectively.
- ✓ The finding confirms that the organization is not said to be healthy without conflict. Because conflict can change the organization's existing operation system and come up with the improved one.
- ✓ The study shows that conflict has a positive effect for both the organization and the employees. Thus, conflict helps to the organization to improve its policy and procedure so as to increase efficiency and for the employees create competition and productivity.

4.2. Conclusions

On the basis of the findings stated above, the following conclusions can be drawn.

- ✓ Though employees having above degree are few in numbers it is possible to conclude that, most of the employees in the United Bank are highly educated. So that, it may help them to have better understanding about conflict.
- ✓ Interpersonal type of conflicts mostly seen in the branch offices frequently. This is because conflict is natural and as long as people work together there is always conflict between them to reach common goal of the organization.
- ✓ Though training about conflict not provided to the employees, most of them understands that conflict has both positive and negative effect.
- ✓ The finding revealed that conflict has both positive and negative effect. However, the negative effect outweighs the positive effect as the result the employees and the Bank's performance also negatively affected.
- ✓ The study indicates that majority of the employee has less work experience. And can be conclude that those employees might have much more chance to exercise conflict than those employees having long work experience and become matured.

- ✓ According to the study the main source of individual conflict in the branch offices is leadership problem i.e., the work load is not distributed among the employees fairly and communicably.
- ✓ Managers arrange social entertainment occasion to minimize conflict as well as build team sprit between employees and to increase their efficiency. However, while conflict exists between employees, the response of most managers is not fair and based on the rules and procedures.

4.3. Recommendations

- ✓ As the negative effect of conflict has been seen dominant and the result also negatively affected both the employees' and the bank's performance, the management should take a remedial action to minimize as well as eliminate the conflicts.
- ✓ Some of the banks' community has a concept of conflict has only negative impact. And to make the employees to have common understanding, it is the student researchers' recommendation that the Human Resource Manager should give due attention and arrange short term trainings in the form of seminars, workshops.
- ✓ United Bank Share Company is one of the private banks in the banking industry with a vision of to be "THE PREFERRED BANK". To achieve its' vision the employees have great role in this regard. So that, while conflict exists between employees, the response of the management should be fair and according to the rules and procedures of the bank to all employees. And the arrangement of social entertainment occasions should continue for the future as this type of mechanism is constructive one.
- ✓ It is the organization being an organization by the coordination and unity of the departments. Therefore, this is, to recommend that departments should communicate each other wisely and stop thinking own activity is better than others.
- ✓ To minimize the main source of individual conflict in the branch offices, it is possible to recommend the work load should distribute among the employees fairly & communicably.
- ✓ It is possible to recommend that managers must investigate the source of conflict by assessing the root cause by both parties so as to solve the problem.

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APPENDIX

8. In which parties, conflict exists frequently?
- Between employees and Managers
 - Between employees each other
 - Between Managers
 - Between employees and customers
 - Between departments
9. Causes for Intergroup (departmental) conflict
- Delayance of reports
 - Communication barrier
 - Thinking own activity much more correct than others
 - Others _____
10. Do you think that conflict has only negative effect?
- Yes
 - No.

For both answer please give your reason. _____

III. Impact of conflict on employees

11. Please rank the main source of conflict in the branch.
- Dissatisfaction of work
 - Work load
 - Individual difference
 - Leadership problem (unfair distribution of work and unequal treatment)
 - Communication barrier
12. Please rank the effect of conflict on the employee.
- Absenteeism
 - Turnover
 - Less productivity
13. Had you ever been participated in the training about conflict?
- Yes
 - No

IV. Impact of conflict on the branch performance and productivity.

14. What do you think the effect of conflict on the branch's performance? _____
-

St. Mary's University College
Business Faculty
Department of Management

Interview conduct with Branch Managers and Assistant Managers

This interview is prepared by St.Mary's University College prospective graduate researcher so as to assess the conflict management practice of United Bank S.Co. your open and free response is highly appreciated. All the information's provided will be kept confidentially

1. What do you think about conflict?
2. What type of conflicts arise between employees in your branch?
3. What are the main sources of conflict exist between employees in your branch?
4. What do you think the effects of conflict on the performance of your branch?
5. Do you think that conflict has only negative effect?

If yes, How?

If No why?

For both answers please elaborate.

6. What is the role of the branch manager and Assistant manager and Measurement taken towards conflict in the branch?
7. What do you think the effect of conflict on the employee?
8. Do you think that, the branch is said to be healthy with out the existence of conflict?

If yes, How?
If No, How?
9. What do you think the cause for Intergroup (departmental) conflict?
10. As a Manager what type of mechanisms do you use to minimize as well as to eliminate conflict in your branch?

Thank You!!!

St. Mary's University College
Business Faculty
Department of Management

Interview conduct with Human Resource Management.

This interview is prepared by St.Mary's University College prospective graduate researcher so as to assess the conflict management practice of United Bank S.Co. your open and free response is highly appreciated. All the information's provided will be kept confidentially

1. What do you think about conflict?
2. What are the main sources of conflict exist between employees in United Bank S.Co.?
3. Mostly what type of conflicts arise in United Bank s.Co.?
4. What do you think the effects of conflict on the overall performance of the organization?
5. Do you think that, conflict has only negative effect?
If yes, How ?
If No How?
For both answers please elaborate.
6. What is the role of HRM and Measurement taken towards conflict in the organization?
7. Do you think that, the organization is said to be healthy, with out the existence of conflict?
If Yes, How?
If No How?
8. What do think the effect of conflict on the employee?
9. What type of mechanisms does the HRM uses to minimize as well as to eliminate conflict?
10. Does the HRM provide training to the employees to create awareness about conflict?
If your answer is no why?

Thank you!!!

