

The Relationship between Conflict Management and Innovation Performance

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Abstract

Most people avoid conflict or handle it poorly. However, Conflict can be healthy if it is managed effectively. Managing conflict is very important as it always foster innovation especially in workplace. There is strong relationship between constructive conflict and innovation, conflict is a profound source of creativity and innovation if it is effectively handled, it pushes the person to find new possibilities for resolution. The aim of this paper is to report on the effectiveness of conflict management skills in the workplace and how it relates to innovation performance. In attempting to this debate the emphasis will be on the literature that focuses on leaders ability to conflict management strategy, employees attitude and behavior to change the negative aspects of conflict into cooperative and constructive conflict, as well as new perspectives on how to create a culture of innovation among employees. Here conflict is employed as a mean to promote individual and organizational learning, growth, and innovation.

Keywords: Innovation, conflict management, conflict and innovation

1. Introduction

Most of people feel about conflict the same way they do about sharks, it's best to avoid them at all costs. They never think that sharks help to maintain life balance and health in the marine ecosystems; and conflict at the same time helps to maintain a creative tension in human systems. It invites us to explore new possibilities, combine or rearrange ideas to arrive at wholly surprising solutions or to gain important insights into ourselves and about those with whom we interact (Anderson, 2001).

Conflict is part of living; it is neither good nor bad. Yet, when people think of the word conflict, they often think of wars or violence. However, conflict exists at all levels of society in all sorts of situations. Therefore, it is important to understand what is the exact meaning for the word conflict. As it is stated in different sources, that conflict is a situation where two parties with different point of views believe that the other party will have or is having the intention of taking an action against them (Baron, 1997; Boulding, 1963; Deutsch, 1962, 1973; Hocker & Wilmot, 1985; Rubin, Pruitt, Kim, 1994). In an Organization conflict refers to the state of disagreement between people, which occurs due to contrary interests among them Esquivel & Kleiner (1997). It is in fact a clash of interests between the involved persons. Conflict can exist in various forms in an organization: Clashes between individuals or departments and the management; disputes between individuals on different matters such as, what work needs to be done, or how it should be accomplished, are examples of conflicts in an organization. There could also exist more complex types of organizational conflict that involves role definition in the company, personality clashes, and struggle for power and so on.

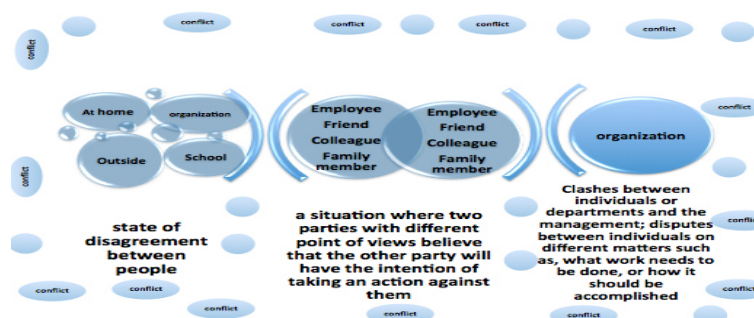


Figure 1: What Conflict is

It is important to remember that minimum level of conflict in workplace or even at home is needed to make life become more interesting and fruitful. Life without conflict will be boring and organization without conflict will be stagnant. After all, organizational conflict is the mean to foster innovation where organization competitiveness exists. It can provide an opportunity for new social and political systems to be established and can help to shape the future. However, when conflict becomes violent it will easily do more harm than good. Therefore, it is necessary to know how to manage the conflict before it reaches to the violent stage.



Figure 2: The Importance of Conflict

Different people use different approaches for managing conflict. These approaches are learned usually in childhood, and it seems to function automatically when they grow up. Usually people are not aware of how they act in conflict situations. They just do whatever seems to come naturally. But sometimes they do have a personal strategy; and because it is learned, they can always change it by learning new and more effective ways of managing conflicts.

Considering this, conflict management seems to be a concept that can be dealt with pragmatically (Fleetwood, 1987). Much has been written about the management of conflict. Since this paper is focusing on managing conflict, so different types of conflict need to be known, how it can be managed, and how it foster the innovation also need to be identified.

2. Conflicts and Innovation

Research has shown conflict to be multidimensional (Amason, 1996; Jehn, 1995). Thus, it is possible for one dimension of conflict to enhance effectiveness whereas another hinders consensus and commitment between group members. Jehn (1995) summarizes both kinds of conflict into task conflict, or cognitive conflict, is a perception of disagreement among group members or individuals about the content of their decisions, and involves differences in viewpoints, ideas and opinions. This type of conflict is known as constructive conflict that aims at issue, it always occurs in organization among employees. The other type is known as destructive conflict, or relationship/emotional conflict, is a perception of interpersonal incompatibility, and tends to include annoyance, and animosity among individuals. Eventually, this research will be focusing on constructive conflict that is always seen in organization and constantly cultivates innovation.

Conflict in organizations is a core tension that arises naturally when people experience interdependencies, and they are embedded in structures and systems that attempt to constrain or control their behavior (Gelfand, Leslie & Keller, 2008; Jaffee, 2008). Within the conflict stream of research, some studies point out the positive effects of conflict (e.g., Tjosvold, 2006) and others assert that conflict yields more negative and non-productive effects in the work environment (De Dreu, 2008).

In the current situation, most of the organizations face a highly competitive and dynamic environment, which necessitate flexibility and fast adaptation to new situations and changing contexts. Hence, innovation has become a vital asset in order to ensure organizational sustainability (DeDreu, 2006; Jansenn, Van de Vliert, & West, 2004). In an effort to attain innovation, organizations often resort to collaborative work arrangements, particularly work teams. However, conflict associated with the teams' internal dynamics (Tjosvold, 2006; West & Hirst, 2003). Some of us wish that conflict would go away of our life; but understanding the mechanisms underlying innovation requires conflict.

Think for a moment about situation you ever-experienced better results after the storm of disagreement? Isn't this better than pretending everything is okay when it's not? We want to resolve conflict, hoping we can get everyone to agree, but that doesn't always happen. Conflict is part of living; it is neither good nor bad. The challenge is how to make the conflict be more constructive. Research on the effects of conflict on innovation in work teams addressed the relationships between the prevalence of conflict and innovation, however, empirical investigations addressing the function of conflict management processes in team innovation. The outcome focuses on the important of constructive-cooperative conflict management patterns as it foster the innovation in work teams. (DeDreu, 2006; Nemeth, Personnaz, Personnaz, & Goncalo, 2004).

In another research by Song et al (2006), indicated a strong positive association between constructive conflict and innovation performance and a strong negative association between destructive conflict and innovation performance. While these results are not surprising, it is argued by many researchers that conflict can be a creative force, mainly when it is constructive. So what is constructive and destructive conflict then? Constructive conflict is the one that focus on ideas or issues and not personalities. It is open, allowing, and non-judgmental for the good of the organization or the relationship involved. Whereas, destructive conflict is the one focuses on

verbal and nonverbal insults, ego attacks, inflexibility, a mindset of retaliation, and an exchange of negative emotion (William, et al, 2001).

Constructive conflict often gives room for disagreement, yet respecting the parties involved. It allows a divergent thinking and different perspectives, support and respect for each other, as well as openness and cooperation. Individuals who engage in constructive conflict concentrate on the issues at hand and maintain a commitment to resolve the conflict successfully. However, destructive conflict often contributes to an ongoing cycle of anger, fear and isolation between individuals and within a group. When destructive conflict occurs, the people involved will feel a number of negative emotions as well, such as rejection, resentment and shame (Switzer, 2014).

A conflict is likely to take a constructive course if it is viewed as a mutual problem to be worked on together in a cooperative process; a conflict is likely to take a destructive course if it is defined as a win-lose conflict in which the conflicting parties engage in a competitive process to determine who wins and who loses. Researchers believed that constructive conflict is the spicing of life at workplace; it pushes the person to learn and to produce more in their organization. As founded in one study by De Dreu (2006), that a constructive conflict has a great impact on team innovation via collaborative problem solving in the team.

3. Conflict Management and Innovation Performance

Nevertheless conflict, when well managed, breathes life and energy into relationships and can cause individuals to be much more innovative and productive. Much has been written about the management of conflict. A great deal of the literature is derived from the business world. Conflict management is frequently broken into categories such as conflict management styles and conflict management strategies. Before considering these ideas, however, a general look at conflict management may be helpful. In simpler terms, Huseman (1977) views conflict management as distinguishing between useful conflicts and conflicts that should be eliminated. Also, conflict management should involve the ability to develop individuals who can work under stress but continue to be innovative and productive.

In many cases, effective conflict management process can make the difference between positive and negative outcomes. Starting point for dealing with conflict is to identify the type of the conflict itself, and then look into the appropriate management style. If it is constructive conflict, for example, leaders need to promote it in the organizations. Because constructive conflict makes room for issues to be diagnosed and resolved without anyone feeling neglected or cheated. It puts into consideration the interests of the involved parties, although there is no guarantee that all interests will be satisfied. Being focused on issues and not on individuals or parties, it gives room for learning and innovation. Recent studies bear empirical evidence that constructive controversy fosters innovativeness both at the individual level (Chen, Lui & Tjosvold, 2005) and at the team level (Tjosvold & Yu, 2007).

Different researchers indicated different management techniques, Robbins in 1974, for example, listed eight conflict management techniques, whereas, Cragan and Wright on 1986 listed only five conflict management styles (Fleetwood, 1987). Perhaps, Hocker and Wilmot (1985) divide conflict management strategies into avoidance and engagement tactics. However, these techniques were mainly focusing on communicative behavior that can be used by individuals in interpersonal relationships. Meanwhile, since this paper is focusing on organizational conflict management techniques, from my opinion, the focus should be more on the effective leader, employees' attitude, and organizational culture, managing these three important themes can decrease conflict and motivate innovation, as shown in the following diagram.



Figure 3: Factors influence Conflict management and innovation

It is very important to consider leaders' role in managing conflict in organization. But how do leaders encourage the exploration of differing viewpoints while minimizing the hazards of polarization? Employees are the most important assets in an organization. Therefore, organizations need to have capable leaders to lead and motivate their employees in their daily operation and achieve the organizational goals. Leaders need to foster the

necessary climate of safety, encouraging participants to see issues from a range of perspectives, reduce conflict and worked to integrate contradictory views. The most effective leaders make use of constructive conflict as an important process through which they identify, extract, and combine the diverse skills, abilities and perspectives within the group to produce high quality decisions. By engaging in cognitive debate, leaders gain a more thorough understanding of the rationale underlying their decisions (Uline, et al, 2003). Research has suggested that when leaders adopt a conflict management style that focuses on satisfying the needs of both parties in conflict situations, all members tend to build relationships based on trust and respect (Fisher & Ury, 1981; Pruitt & Rubin, 1986). It seems that when employees perceive they are being valued and cared by the supervisor in the conflict situations, trusting relationships will be developed. Employees will sense being of distributive, procedural and interactive justice; organizational innovation and team effectiveness (Chen, Liu, & Tjosvold, 2005; Chen & Tjosvold, 2002).

Runde & Flanagan (2007), believe that conflict competent leaders understand the dynamics of conflict, are aware of their strengths and developmental opportunities for handling personal conflict, model appropriate behaviors when engaged in conflict, find ways to foster constructive responses among others while reducing or avoiding destructive responses, and encourage the development of a conflict competent organization through systems and culture.

Based on the above, leaders' jobs are very important in managing the organizational conflict. As it's believed that any conflicts in the organization may affect the harmony of interpersonal relationships among employees. Therefore leaders need to be more intelligent by viewing conflict as a potentially useful occurrence in the organization, and handle it properly. Because, if it's handled appropriately, it can enhance creativity and innovation, improve the quality of decision-making, and provide for mutual understanding between employees. According to Runde & Flanagan (2007), "the most effective leaders do more than model effective behaviors and influence or develop others. They also find ways to transform their organization's conflict culture. They champion the establishment of processes and systems that enable organizational conflict competence" (p 27). Based on that, leaders need to create a positive work environment through encouragement, recognition, motivation and positive reinforcement of behavior of all employees.

In addition to the above, employees' attitudes need to be considered, Putnam (1991) stated, "generating good fights starts with attitudes that value conflict". At this point it is important to highlight that employees' attitudes play a very important role in the organization. Essentially, work attitude connected with emotion, the more employee experience positive emotions, the more he/she forms positive attitudes toward the targets of those emotions. Furthermore, people pay attention to positive emotions to the extent that they offset negative workplace experiences and manage conflicts. Attitudes and conflict management styles play an important role in determining whether such conflict will lead to destructive or mutually beneficial outcomes (Williams, 1987). Moreover, respecting organizational conflicts will push the organization to better outcome. Nothing can be achieved in the organization unless and until the person has a positive attitude, positive thinking, and acceptance to the organizational difficulties.

According to Williams (1987). Employees' attitudes and conflict management styles play an important role in determining whether such conflict will lead to destructive or mutually beneficial outcomes. It is employees' attitude and behavior which will make the work to be effective, push the organization to the success, build the harmony of interpersonal relationships, reduce conflicts, and transform negative aspects of conflict into cooperative and constructive conflict. Similarly stated by Runde & Flanagan (2007), that adopting a positive attitude toward the conflict such as, "I'm confident that we can find a way to make things work or at least to maintain a good working relationship in the future." This type of positive attitude can be helpful when dealing with difficult subjects. Therefore, employees need to manage their attitude, use their emotional intelligent, social intelligent and self-motivation to avoid conflict and be more innovative.

Eventually, organizational culture is another important factor that also need to be considered when researchers are talking about conflict and innovation. Organizational culture appeared to have some influence on employees' attitudes toward organizational change and management (Ahmed, 1998; Lorenzo, 1998; Pool, 2000). According to Ahmed (1998), the possession of positive cultural characteristics provides the organization with necessary ingredients to innovate. Culture could enhance or inhibit the tendency to innovate. Pool (2000), however, suggested that organizational culture allowed an organization to address ever-changing problems of adaptation to the external environment and the internal integration of organization resources, personnel and policies to support external adaptation.

Basically, it was agreed by Hauser (1998); that a culture that enables conflicts concerning discussion and prevents emotional conflicts will facilitate the early stages of innovation. Employees who acknowledge and support each others' work and do not waste time protecting their own ideas or feeling threatened by others will facilitate this type of environment (Heilmair, 2000; Andriopoulos and Gotsi, 2002). Hence, organizational culture plays an important role in managing conflict and encouraging innovation. However, if the organization cannot promote this type of environment, and since conflicts cannot be avoided, it is essential for the

organizations to find ways to create an environment that promotes cooperation and constructive conflict management. As organizational culture influences the frequency with which people choose cooperative or competitive strategies, which then becomes their routine way of handling conflict (De Dreu & Gelfand, 2008; Olekalns, Putnam, Weingart, & Metcalf, 2008).



Figure 4: Conflict Management and Innovation

In conclusion, thinking outside the box can make the person strive outside the box. This is true when constructive conflict becomes part of human life, and the real human are occasionally disagree. Then the result will be more ideas, real communication and innovations that will follow.

4. Conclusion

Conflict is part of living; it is neither good nor bad. The challenge is to make conflict constructive. The constructive conflict is seen in different organization at different occasion, and if it's well handled it will lead to very good outcomes. Based on the above, there is strong relationship between constructive conflict and innovation, conflict is a profound source of creativity and innovation if it is well handled, it pushes the person to find new possibilities for resolution. Moreover, ways to handle it vary, depending on the seriousness and circumstances surrounding them. However, if the conflicts are not well managed, it will lead to destructive and relationship conflict that can affect the organizational performance and outcomes. Therefore, conflict in organizational needs to be managed through great leaders who know how to manage it perfectly, employees who change their attitude and behavior toward the negative aspects of conflict into cooperative and constructive conflict, and organization that promote conflict as a part of their culture, enables conflicts concerning discussion and prevents emotional conflicts.

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