

# Industrial Conflict: Conflict Necessary For Creativity

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**Abstract – In today's business scenario organizations are facing a major issue in the form of Conflict which requires attention. Conflict can be functional or dysfunctional. Functional conflict is for improvement whereas Dysfunctional Conflict acts as a barrier in organizational performance. This article focus on the understanding on Conflict, Sources of conflict, Industrial conflict, conflict management styles .**

**Keywords—Conflict, Industrial Conflict, Functional Conflict, Dysfunctional Conflict, Conflict Management.**

When M K Gandhi was thrown out of a train in South Africa, he had a choice to make-either to ignore the event and live in peace or enter into conflict and face harassment, hardship and the possibility of getting physically hurt. He chose the later. Why? Did not have a guru who had taught him that living in peace and tranquility was the ultimate objective of life and the best way to achieve this objective was to avoid situations of conflict? Why he did not walk away?

The Dalai Lama chose to live in exile rather than live in peace in Tibet. He preaches around the world. Does he not know that living in peace requires avoiding situations of conflict?

Aung San Suu Kyi did not have to say in jail. Winston Churchill did not have to join the world war. Nelson Mandela did not have to suffer in solitary confinement. There is long list of people who have embraced conflict despite standing for peace, otherwise.

Both the Ramayana and Mahabharata revered epics, are stories of war, not peace. Krishna did not tell the Pandavas to ignore the incident of Draupadi's humiliation in court(the Draupadi Vastrahavan). He encouraged them to go to war.

Conflict is not inherently bad. In fact, conflict simply stems from differing view points. Since no two people view the world exactly the same way, disagreement is quite normal.

A manager often has to deal with disagreement. When disagreement occurs, strong feelings are aroused. Objectivity goes away, egos are threatened and personal relationship becomes bitter. In November,2011(Go-slow at Maruti Diesel Engine plant) workers at Maruti Suzuki's plant supplying engines for its best-selling models have deliberately slowed production to protest unsatisfactory resolution to the labour unrest. Output dropped to around 60% at company's Vendor Suzuki Power India Ltd.(SPIL), which is its sole supplier of diesel engines. There remained disagreement to reinstate the three union functionaries and arrive at a final settlement to their due wage revision.

The manager faces arguments, even open conflict. In such circumstances, he is torn between two opposing desires. On the one hand, he wants to unleash the individuality of his subordinates in order to tap their full potential and to get novel and creative solutions to problems. On the other hand, he is eager to develop a harmonious, smooth working team to carry out his organization's activities.

## I. CONFLICT DEFINED

Conflict has been defined from several standpoint in literature. In one approach, it has been related to with tension and defined as an expression—hostility, negative attitude, antagonism, misunderstanding, aggression, rivalry etc.

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Conflict is also considered a special kind of competition and as a breakdown, delay and difficulty in decision making.

Attempts have also been made to link it with struggle for power as well as with contradicting rules.

‘In general, conflict has been defined as a process in which an individual purposefully makes a concerted efforts to offset the efforts of another individual by some form of blockage that cause frustration to the later in accomplishing his goals or performance of his interest.’

Traditionally, conflict is synonymous with violence, destruction and irrationally and ,therefore, it must be avoided in view of its harmful and malfunction nature. The traditional views reinforced by researchers in the 1930s and 1940s stress that poor communication, lack of interest and openness and lack of managerial sensitivity to the needs of the employees give rise to dysfunctional consequences called conflict.

However, the behavioral viewpoints asserts that conflict is natural and inevitable process. There is a need to resolve conflict constructively without eliminating the factors that cause them.

It is, therefore, very important on the part of the manager in the industrial situation to understand the various view points/disagreements among his employees and to learn to deal with them effectively. A manager’s ability to deal effectively with disagreement depends on:

- a) His ability to correctively identify and understand the disagreement.
- b) His awareness of and ability to select appropriately from a variety of actions/alternatives.
- c) His awareness of and ability to deal with his own feelings with diagnostic insight and act appropriately.

However, the manager while dealing with disagreements among employees should keep on mind the following:

- 1) Disagreements among people should not be regarded as inherently good or bad. Sometime disagreements result in important benefit.

- 2) To use a variety of approaches to disagreement and chooses a specific approach on the basis of proper diagnosis of the disagreement i.e what is the nature of disagreement among the employees, what factors underline the disagreement.

### II. SOURCES OF CONFLICT

- a) Communication: Insufficient exchange of information, misunderstanding and noise. Communication gap hamper collaboration and foster misunderstanding.
- b) The structure involves specialization and standardization in the tasks, leadership styles, reward system. There exist some evidence that close supervision encourages conflict, too much adherence to participative style is also associated positively with conflict in view of the increased possibilities of differences. Further award system and dependence on others create conflict, when one individual gain at the cost of others.
- c) Personal Variables: These include the personality characteristics and the value system and are source of conflict. Research shows that authorization and dogmatic personality leads to potential conflict. Likewise, differences in value system form a source of conflict on account of involvement of prejudices and disagreement associated with them.
- d) Change: Conflict is caused by changes resulting in tension, anxiety and resistance.
- e) Cultural Factors: Conflict is also caused by differences in cultural factors. Demographic factors, caste, community and linguistic affiliations represents dysfunctional elements causing intense conflict. This suggest that a conflict does not arise from differences in human needs, personalities, social structure and relationship inside and outside organization, but also from differences in the cultural background of people.
- f) Role Conflict: The individual is constantly exposed to numerous demands by the role senders. This is further complicated by the fact that every individual in the organization is a focal person being bombarded by

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several other persons. The principle of “Unity of command” and “span of control” are the issues of serious consideration.

- g) Individual vs Individual Conflict: is the common at work. For example, two individuals may compete for promotion to a single vacancy in a particular department.
- h) Functional Conflict: arises from organizational framework e.g. the production division may stress its own goals of long production runs and standardized products with a view to meet unit cost goals. The marketing department stresses longer time perspective, evaluates products and services from customer’s standpoint and suggest several options to satisfy different types of customer requirements.
- i) Line and Staff Conflict: arises within the organizational structure: the line personnel think that staff personnel are abstract, impractical, over-educated, inexperienced, young, on the other hand staff personnel perceive their counterpart as unimaginative, dull, narrow minded and inflexible. This personality conflict is aggravated due to divergent criteria for goal attainment in the organization.
- j) Status Conflict: is caused by largely because of technological changes. Seniority and age have ceased to act as criteria for accomplishing higher status in the area of technological growth. Young specialist may supersede senior person in an enterprise because of their expertise. The senior’s experience and status come into conflict while working under these experts.

The management and workers had not been the best friends for sometime. Last year, Manesar witnessed three strikes between June and October(2011) on the issue of recognition of an independent workers union. Wage negotiations were underway but was taking lot of time. Workers also wanted the talks to cover the 1500 contract workers at the factories but the management was reluctant. That made the workers restless. There was also a feeling that workers at the older Gurgaon factory were treated relatively well and paid better salaries.  
(The Hindustan Times Dated July26,2012)

### III. A BRIEF REVIEW ON INDUSTRIAL CONFLICT

- a) Delhi Transport Corporation VS Shyam Singh(2012 LLR 645) Forum Delhi High Court

Judgment: The respondent workman was appointed as a conductor with the appellant as a conductor with the appellant on 2<sup>nd</sup>. September, 1989. He was on 24<sup>th</sup>. June, 1993 served with a charge sheet for not issuing tickets to the passengers, in spite of collecting the fare. Departmental inquiry was held and the Inquiry Officer found the respondent workman guilty of the charge. The Disciplinary Authority of the appellant, DTC, vide order dated 18<sup>th</sup>. July, 1994 imposed the punishment of removal from service on the respondent workman.

An application under section 33(2) (b) of the Industrial Adjudicator dismissed the application of the appellant DTC under section 33(2)(b) and passed an award of reinstatement of the respondent workman with full back wages. The findings of the departmental inquiry were held to be perverse by the Industrial Adjudicator inter alia for the reason that there was no Presiding Officer appointed by the management.

The Industrial Adjudicator held that the non-appointment of the Presiding Officer led to the truth having not been unraveled. The principle of natural justice are not confined to opportunity of hearing only but extend to effective hearing. The purpose of the order of the Industrial Adjudicator was that no effective hearing was possible or held in the absence of the Presiding Officer

On appeal, the High Court upheld the decision of the Industrial Adjudicator and accordingly dismissed the appeal.

- b) Dena Bank VS Manjulaben M. Thaker(Smt) and Anr.(2012 LLR 648) Forum: Kerala High Court

Judgement: The contention of the Petitioner-Bank was that the deceased workman had committed an act involving moral turpitude and therefore was not entitled to the gratuity amount under section(6)(b)(ii) of the

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Gratuity Act rear with the Plaintiffs' Banks Service regulations.

The court after perusal of the dismissal order by the bank, observed that there was no direction in the dismissal order for forfeiture of the gratuity amount, which the deceased workman was otherwise entitled to, it being a statutory right. The charge sheet had not stated forfeiture of gratuity on the ground of 'moral turpitude' and no inquiry had been conducted on that count. Also, the petitioner-bank had admittedly not initiated any penal action with a view to forfeit the gratuity amount.

Thus, in the absence of proper order by the employer, the Court held the forfeiture of gratuity of the employee to be not sustainable.

### V. VARIOUS CONFLICT MANAGEMENT STYLES

- 1) Competing- Assertive and uncooperative behavior focused on personal concern at the expense of others.
- 2) Accommodating- Unassertive and cooperative behavior that neglects personal concerns in order to satisfy the concern of others.
- 3) Avoiding- Unassertive and uncooperative behavior that neither pursues personal interest or the interest of others.
- 4) Collaborating- Both assertive and cooperative behavior that emphasize working with other party to satisfy both your concern and theirs.
- 5) Compromising- An intermediate position of both assertiveness and cooperation, often referred to as splitting the difference, seeking a quick middle ground position.

### IV. APPROACHES TO CONFLICT MANAGEMENT IN INDUSTRIAL SITUATION

- A) Dominance- the easiest technique to resolve the conflict is to eliminate the other party altogether. The manager may use dominance technique to eliminate rival parties by dismissing them. However, this technique is useful only if the problem is people oriented rather than

organization oriented. Proper selection and transfer can resolve people oriented conflict.

- B) Avoidance-can be reduced by avoiding it altogether. This involves efforts on the part of the conflicting parties to withdraw.
- C) Compromise-this technique form a commonly used method to benefit all the parties in a conflict in way or the other. This method may involve offers and counter offers and proves effective in arriving at a mutually satisfying solution.
- D) Hierarchical Decision Making-an appeal to the positional authority can also be used to resolve conflict. The decision made by the superior holding formal positional authority over conflicting subordinates are likely to be accepted. However, the effectiveness of this technique declines where the authority figure fails to adequately understand the issue and the subordinates do not respect.
- E) System Restructuring- role conflict can be resolved by clarifying demands and segregating roles in different position and people. Individual can be rotated.
- F) Altering Human Variables-perceptions, attitudes, values and beliefs can be changed to mitigate the source of conflict.
- G) Problem Solving-this technique seeks to resolve conflicts through face to face confrontation. The conflicting parties are required to come together to resolve the problem instead of accommodating each other's divergent view points.
- H) Negotiation/Bargaining-both parties recognize their mutual dependence and work to-gather satisfactorily to resolve the conflict.

### VI. FILLEY---PROBLEM SOLVING METHOD

Filley suggested the following measures to resolve the conflict:

- a) Identify the problem in terms of goals.

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- b) State the issues in specific rather than general terms.
- c) Identify the existence of mutually beneficial solution.
- d) Change the focus of attention from the other party to the problem.
- e) Identify the cost of not resolving the problem.
- f) Minimize the feelings of anger, threat bt depersonalizing the problem and using a neutral language.
- g) Reduce time pressure.
- h) Increase proximity and interaction with the other party.

### VII. LESSONS TO BE LEARNED FROM COMPANIES THAT HAVE SEEN LABOUR DISSONANCE/CONFLICT

- 1) At Philips India, earlier 70-80% of investment on the workforce was in technical training; now a large chunk of the training expenses goes into soft skill training and explaining to them not just their legal rights but that of the company as well says Yashwant Mahadil, HR head at Philip India. The company, which a couple of years ago, would put up all procedures on notice boards, has now asked its shop floor managers and supervisors to have focused group meeting explaining the same.
- 2) Promoted by two consecutive years of workers' strike in 2010 and 2011, an auto maker General Motors set up three-tier dispute resolution committee that has developed a mechanism to handle matters better and faster.
- 3) Two years ago, Ashok Leyland introspected on why its shop floor workers preferred going to the trade unions rather than the managers when it came to solving a problem. "We realized that the growth opportunities offered to the managers were far more than those made available to the workforce," said Shekhar Arora, Executive Director HR. The company decided to develop a pipeline of talent even before a worker joined the shop floor. It introduced a diploma in management where the students, who had completed schooling, got hands-on-training in factories for five days and day-pong class room training on management strategies. A scholarship of

Rs.5,500 was given to those who were short-listed. "The objective was to create a workplace where one gets trained on academic and manufacturing skills," said the HR head. The institute's programme on managing industrial relations have seen many takers from manufacturing, heavy engineering, oil and natural gas, power, construction and retail sectors.

(Source: 1, 2, 3, The Economic Times Dated July31,2012)

The manager has to play a significant role in managing conflict. If the conflict goes out of hand, it causes several negative consequences for the attainment of goals in the organization His role consist of diagnosing a conflict, identifying its source, working out alternative techniques to manage it and following up to determine that it has been resolved adequately and its source has vanished.

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