VU LEARNING HUB

vulearninghub.xyz

HIGHLIGHTED HANDOUT

HRM724

Conflict Management

HRM724 by VU Learning HUB

Prepared for VU students • Free study resources

https://vulearninghub.xyz

HRM724

Conflict Management

HANDOUT

This course examines conflict in organizations: its nature, sources, and types; conflict-handling styles and strategies; negotiation and mediation skills; managing team and cross-cultural conflict; and building systems that turn conflict into a constructive force.

Table of Contents

Module 1	Understanding Organizational Conflict
Module 2	Sources and Types of Conflict
Module 3	Conflict-Handling Styles
Module 4	Negotiation: Strategy and Tactics
Module 5	Third-Party Intervention: Mediation and Arbitration
Module 6	Managing Team and Intergroup Conflict
Module 7	Cross-Cultural and Organizational Systems

MODULE 1: UNDERSTANDING ORGANIZATIONAL CONFLICT

Learning Objectives

- Define conflict and distinguish its forms
- Explain the traditional, human-relations, and interactionist views
- Distinguish functional from dysfunctional conflict
- Describe the stages of the conflict process

What Is Conflict?

Conflict is a process in which one party perceives that its interests are being opposed or negatively affected by another party. It is **perceived** — objective incompatibility matters less than whether people believe their goals are threatened. Conflict exists at **intrapersonal** (within a person, e.g., role conflict), **interpersonal** (between individuals), **intragroup**, **intergroup**, and **organizational** levels.

Three views of conflict: the **traditional view** (conflict is bad, avoid it), the **human-relations view** (conflict is natural and inevitable), and the **interactionist view** (some conflict is necessary — a harmonious, fully cooperative group becomes stagnant and unresponsive to change). Modern management follows the interactionist view.

Functional vs. Dysfunctional Conflict

Functional conflict supports group goals and improves performance: it surfaces diverse ideas, challenges complacency, and improves decision quality. **Dysfunctional conflict** hinders performance: it breeds hostility, wastes energy, and destroys cooperation. The manager's job is not to eliminate conflict but to maintain an **optimal level** — stimulating functional conflict and resolving dysfunctional conflict. Too little conflict produces apathy; too much produces chaos.

The Conflict Process

Pondy's five stages: (1) **latent conflict** — conditions exist (scarce resources, goal differences); (2) **perceived conflict** — parties become aware; (3) **felt conflict** — emotions engage (tension, anxiety); (4) **manifest conflict** — open behavior (arguments, sabotage, strikes); (5) **conflict aftermath** — resolution or suppression, shaping future relations. Intervention is cheapest at the latent stage and costliest at the manifest stage — early diagnosis is a core management skill.

Key Terms & Definitions

Conflict	Perceived opposition of interests between parties.
Functional conflict	Conflict that supports group goals and improves performance.
Interactionist view	Some conflict is necessary for a healthy organization.
Latent conflict	Underlying conditions for conflict before anyone perceives it.

Example: Functional Conflict in Product Design

A software firm's designers and engineers clash repeatedly over features vs. feasibility. The friction is uncomfortable but functional: it kills weak ideas early and the final product is better. The manager's role is to keep the debate on issues, not personalities — converting potential dysfunction into functional conflict.

Module Summary

- Conflict = perceived opposition of interests; exists at five levels.
- Three views: traditional (avoid), human relations (accept), interactionist (stimulate some).
- Functional conflict helps; dysfunctional conflict harms — manage the level, not just the instances.
- Five stages: latent → perceived → felt → manifest → aftermath; intervene early.

Exam Pointers (Very Important)

★ Distinguish functional from dysfunctional conflict with examples.

★ Compare the three views of conflict.

★ List Pondy's five stages and explain why early intervention matters.

★ Why is perceived conflict more important than objective incompatibility?

MODULE 2: SOURCES AND TYPES OF CONFLICT

Learning Objectives

- Identify structural and personal sources of conflict
- Explain task, relationship, and process conflict
- Diagnose the real source beneath a surface dispute
- Distinguish vertical, horizontal, and role conflicts

Where Conflict Comes From

Structural sources: specialization (different goals/subcultures), interdependence (pooled, sequential, reciprocal — tighter coupling means more friction), common resources (competition for budgets), goal differences, status inconsistencies, and jurisdictional ambiguity. **Personal sources**: value differences, perceptual differences, personality clashes, and poor communication. **Communication problems** — semantic differences, insufficient information exchange, noise — are the most cited and most overrated source: people blame 'communication' when the real issue is incompatible goals.

Three Types of Conflict

Jehn's typology: **task conflict** (disagreement about what to do — goals, ideas), **relationship conflict** (interpersonal friction — dislike, annoyance), and **process conflict** (disagreement about how to do it — roles, procedures). **Task conflict is often functional** (at moderate levels it improves decisions); **relationship conflict is almost always dysfunctional**; process conflict is mixed. The critical skill is keeping task conflict from degenerating into relationship conflict.

Role and Hierarchical Conflicts

Role conflict: incompatible demands on one person (inter-role: work vs. family; intra-role: conflicting expectations from boss vs. team). **Role ambiguity** (unclear expectations) breeds conflict. **Vertical conflict** (superior-subordinate) usually involves control and autonomy; **horizontal conflict** (peer departments) usually involves resources and coordination. Diagnosis rule: the presenting issue is rarely the real issue — ask what each party would lose if the other got its way.

Key Terms & Definitions

Task conflict	Disagreement about goals and ideas; often functional.
Relationship conflict	Interpersonal friction; almost always dysfunctional.
Process conflict	Disagreement about how work should be done.
Role ambiguity	Unclear expectations breeding conflict.

Example: Diagnosing Beneath the Surface

Two department heads fight over the meeting room schedule (process conflict on the surface). Diagnosis reveals the real source: both departments' budgets were cut and each fears the other is favored by top management (structural: scarce resources + goal differences). Fixing the calendar won't help; addressing the budget anxiety will.

Module Summary

- Sources: structural (specialization, interdependence, resources, goals), personal, and communication.
- Three types: task (often functional), relationship (dysfunctional), process (mixed).
- Keep task conflict from becoming relationship conflict.
- Diagnose beneath the presenting issue; check role conflict and ambiguity.

Exam Pointers (Very Important)

★ Explain Jehn's three types of conflict and their effects on performance.

★ Why is 'poor communication' often a misdiagnosis?

★ Distinguish vertical from horizontal conflict.

★ What is role ambiguity and how does it generate conflict?

MODULE 3: CONFLICT-HANDLING STYLES

Learning Objectives

- Describe the five Thomas-Kilmann conflict styles
- Match style to situation
- Recognize your own default style and its limits
- Use style flexibility as a management tool

The Thomas-Kilmann Model

Two dimensions — **assertiveness** (pursuing your own concerns) and **cooperativeness** (pursuing the other's concerns) — produce five styles: **competing** (high assertive, low cooperative: win-lose, use when quick decisive action is vital or unpopular actions are needed); **collaborating** (high/high: win-win problem solving, best for important complex issues but time-consuming); **compromising** (mid/mid: each gives up something, good for temporary settlements and time pressure); **avoiding** (low/low: sidestepping, appropriate for trivial issues or when others can resolve better); **accommodating** (low assertive, high cooperative: yielding, useful when the issue matters more to the other party or to bank goodwill).

Choosing the Right Style

No style is universally best — **situational fit** matters. Competing fits emergencies and ethical stands; collaborating fits strategic decisions needing buy-in; compromising fits deadlocks and deadlines; avoiding fits trivial issues and cooling-off periods; accommodating fits relationship preservation. **Common errors**: overusing competing (creates enemies), overusing avoiding (issues fester), and compromising too early (leaves value on the table that collaborating would have found). Effective managers are **style-flexible**, not style-consistent.

Know Your Default

Most people have a **default style** shaped by personality and culture — and overuse it. The Thomas-Kilmann Instrument (TKI) measures your profile. Development means strengthening your **weak styles**: a chronic avoider must learn to compete when principles are at stake; a chronic competitor must learn to accommodate when relationships matter. In collectivist cultures (including Pakistan), avoiding and accommodating are more normative — which makes deliberate collaborating a distinctive leadership advantage.

Key Terms & Definitions

Thomas-Kilmann model	Five conflict styles from assertiveness × cooperativeness.
Collaborating	High assertiveness + high cooperativeness; win-win problem solving.
Style flexibility	Matching conflict style to the situation, not habit.
TKI	Thomas-Kilmann Instrument measuring conflict-style preferences.

Example: Style-Situation Mismatch

A manager's default is competing. When two valued team members clash over project direction, she imposes her solution (competing) — fast, but both feel overruled and disengage. A collaborating approach (facilitated joint problem-solving) would have taken longer but preserved commitment. The style fit the manager's habit, not the situation.

Module Summary

- Five styles: competing, collaborating, compromising, avoiding, accommodating.
- Match style to situation: emergencies→competing, complex buy-in→collaborating, deadlock→compromising, trivial→avoiding, relationship→accommodating.
- No universally best style; flexibility beats consistency.
- Know your default via TKI; develop your weak styles.

Exam Pointers (Very Important)

★ Draw and explain the Thomas-Kilmann model.

★ For each style, give a situation where it is the best choice.

★ What are the risks of overusing competing and avoiding?

★ How does culture shape default conflict styles?

MODULE 4: NEGOTIATION: STRATEGY AND TACTICS

Learning Objectives

- Distinguish distributive from integrative bargaining
- Prepare systematically for negotiation (BATNA, interests, options)
- Use integrative tactics to expand the pie
- Handle hardball tactics ethically

Two Approaches to Bargaining

Distributive bargaining (win-lose): dividing a fixed pie — salary talks, price haggling. Key concepts: **target point** (what you aim for), **resistance point** (your walk-away), and the **bargaining zone** (overlap of resistance points). **Integrative bargaining** (win-win): expanding the pie by trading on differing priorities — you care about delivery date, they care about price. Research is clear: most real negotiations are **mixed-motive**, and purely distributive tactics leave value unclaimed.

Preparation: The 80% of Success

Prepare: (1) identify your **BATNA** (best alternative to a negotiated agreement) — it determines your power; never negotiate without knowing it; (2) separate **positions** (what they say they want) from **interests** (why they want it) — interests unlock creativity; (3) brainstorm **options** before choosing; (4) know their BATNA and interests too; (5) set your target and resistance points. The party that prepares better usually wins — information is leverage.

Tactics and Ethics

Integrative tactics: ask **why** behind demands, logroll (trade low-priority for high-priority items), use objective criteria, and build trust with small concessions. **Hardball tactics** — good cop/bad cop, nibbling, false deadlines, extreme anchors — work short-term but destroy relationships and reputation. **Ethical lines**: misrepresenting your BATNA or lying about facts crosses into deception; strategic silence about your priorities does not. In repeated relationships (colleagues, suppliers), reputation is a long-term asset — negotiate accordingly.

Key Terms & Definitions

BATNA	Best alternative to a negotiated agreement; the source of bargaining power.
Distributive vs. integrative	Dividing a fixed pie vs. expanding it; win-lose vs. win-win.
Bargaining zone	Overlap between parties' resistance points where agreement is possible.
Logrolling	Trading concessions on low-priority issues for gains on high-priority ones.

Example: Interests Unlock the Pie

A manager and employee deadlock over a raise (positions: 10% vs. 3%). Probing interests reveals the employee needs cash flow now (school fees) while the manager is judged on annual salary budgets. Solution: 4% raise + an immediate one-time bonus + funded certification — integrative, within budget, better for both than any point on the original 3-10% line.

Module Summary

- Distributive = fixed pie (target/resistance points, bargaining zone); integrative = expand the pie.
- Preparation: BATNA, interests vs. positions, options, their side too.
- Integrative tactics: ask why, logroll, objective criteria.
- Hardball wins battles but loses relationships; never lie about facts.

Exam Pointers (Very Important)

★ Distinguish distributive from integrative bargaining with an example.

★ What is BATNA and why must you know it before negotiating?

★ Explain positions vs. interests and why the distinction matters.

★ Where is the ethical line in negotiation tactics?

MODULE 5: THIRD-PARTY INTERVENTION: MEDIATION AND ARBITRATION

Learning Objectives

- Compare mediation, arbitration, conciliation, and consultation
- Conduct a mediation session step by step
- Know when to escalate to arbitration
- Design organizational dispute-resolution systems

Forms of Third-Party Intervention

When parties cannot resolve conflict themselves: **mediation** — a neutral third party facilitates negotiation but the parties decide (non-binding, preserves relationships, high compliance); **arbitration** — the third party hears both sides and imposes a binding decision (fast, final, but win-lose and relationship-damaging); **conciliation** — the third party provides a communication link without active facilitation; **consultation/ombudsman** — confidential, informal coaching and referral. Rule of thumb: use the **least intrusive** intervention that can work — mediation before arbitration.

The Mediation Process

Steps: (1) **opening** — mediator sets ground rules (confidentiality, no interruptions, good faith); (2) **storytelling** — each party speaks uninterrupted; (3) **issue identification** — mediator reframes positions as interests and lists agenda; (4) **private caucuses** — shuttle between parties to test flexibility and float options; (5) **joint problem-solving** — build the agreement; (6) **closure** — write it down, specify who does what by when. The mediator's tools: **reframing** ('he's stubborn' → 'you need reliability'), active listening, and reality-testing ('what happens if this goes to arbitration?').

Dispute Systems Design

Progressive organizations build **dispute resolution systems**: open-door policies, peer review panels, ombuds offices, and staged escalation (negotiate → mediate → arbitrate). Good systems are **accessible** (low cost, no retaliation), offer **multiple access points**, and resolve at the **lowest possible level**. The payoff: fewer lawsuits, faster resolution, and conflicts that surface early when they're cheap to fix.

Key Terms & Definitions

Mediation	Neutral facilitation; parties decide; non-binding.
Arbitration	Binding third-party decision; fast but win-lose.
Reframing	Restating positions as interests to unlock solutions.
Caucus	Private mediator-party session during mediation.

Example: Mediation in Action

Two senior engineers stopped speaking after a failed launch. HR mediates: ground rules set; each tells their story (blame vs. feeling blindsided); mediator reframes to shared interest (both want the next launch to succeed); caucuses reveal one wants public credit, the other wants technical control — logrollable! Agreement: joint technical ownership, alternating release-captain roles, written down with a 30-day check-in.

Module Summary

- Intervention ladder: mediation (facilitate) → arbitration (decide); conciliation and ombuds for lighter touch.
- Mediation steps: opening, storytelling, issues, caucuses, problem-solving, written closure.
- Mediator tools: reframing, active listening, reality-testing.
- Design systems: accessible, multiple access points, lowest-level resolution.

Exam Pointers (Very Important)

★ Compare mediation and arbitration on five dimensions.

★ Walk through the six steps of a mediation.

★ What is reframing? Give two examples.

★ Design a three-stage dispute system for a 500-person company.

MODULE 6: MANAGING TEAM AND INTERGROUP CONFLICT

Learning Objectives

- Prevent destructive conflict in teams
- Run productive disagreements (structured debate techniques)
- Manage intergroup conflict (jigsaw, superordinate goals)
- Handle conflict in virtual and diverse teams

Building Conflict-Capable Teams

Prevention: **clear goals and roles** (ambiguity breeds conflict), **team charters** (agreed norms for decisions and disagreements), and **psychological safety** (Edmondson: the belief that candor won't be punished — the precondition for functional task conflict). When conflict erupts: enforce **issue-focus** (attack ideas, not people), use **structured techniques** — devil's advocacy, dialectical inquiry (thesis vs. antithesis), and nominal group technique — to depersonalize dissent.

Intergroup Conflict

Classic drivers: competition for resources, **in-group/out-group bias** (we're competent, they're difficult), and incompatible KPIs (sales rewarded for revenue, production for efficiency). Remedies: **superordinate goals** (Sherif's Robbers Cave: goals requiring both groups' cooperation), **jigsaw interdependence** (each group holds part of the solution), **liaison roles and cross-functional teams**, and **rotating membership** to build empathy. Never resolve intergroup conflict by simply merging groups without addressing the underlying competition.

Virtual and Diverse Teams

Virtual teams: conflict festers in text (no tone cues) — use video for disagreements, establish **communication norms**, and surface issues early. Diverse teams: more task conflict (good) but also more misattribution — the same directness reads as 'honest' from an in-group member and 'rude' from an out-group member. Leaders must **model curious disagreement** and explicitly legitimize dissent ('I need someone to poke holes in this').

Key Terms & Definitions

Psychological safety	Belief that candor won't be punished; precondition for healthy debate.
Superordinate goals	Goals requiring cooperation of conflicting groups.
Devil's advocacy	Assigned dissent to stress-test ideas.
In-group bias	Favoring one's own group in perception and judgment.

Example: Superordinate Goal at a Hospital

Doctors and nurses clashed over discharge procedures (each optimizing their own metrics). Management set a superordinate goal — 'zero preventable readmissions' — achievable only jointly, with shared dashboards. Intergroup conflict dropped; joint problem-solving replaced blame within two quarters.

Module Summary

- Prevent with clear goals/roles, charters, and psychological safety.
- Depersonalize dissent: devil's advocacy, dialectical inquiry, issue-focus.
- Intergroup remedies: superordinate goals, jigsaw interdependence, liaisons, rotation.
- Virtual/diverse teams need explicit norms and modeled curious disagreement.

Exam Pointers (Very Important)

- ★ How does psychological safety enable functional conflict?
- ★ Explain three remedies for intergroup conflict with an example each.
- ★ Why does conflict escalate faster in virtual teams?
- ★ Design a team charter clause for handling disagreements.

MODULE 7: CROSS-CULTURAL AND ORGANIZATIONAL SYSTEMS

Learning Objectives

- Explain how culture shapes conflict behavior
- Adapt conflict management across cultures
- Institutionalize constructive conflict (policies, structures)
- Evaluate conflict management effectiveness

Culture and Conflict

Hofstede/Ting-Toomey dimensions matter: **individualist** cultures prefer direct, confrontational styles; **collectivist** cultures prefer indirect, harmony-preserving approaches and third-party mediation. **High power distance** cultures avoid open disagreement with superiors; **low power distance** cultures expect it. Face (self-image in social context) is central in Asian cultures — causing someone to **lose face** turns task conflict into relationship conflict instantly. In Pakistan's collectivist, higher-power-distance context: use private (not public) confrontation, senior mediators carry weight, and relationship repair matters as much as issue resolution.

Institutionalizing Constructive Conflict

Move from firefighting to **systems**: grievance procedures with no-retaliation guarantees; regular **conflict audits** (where do disputes cluster?); training all managers in mediation basics; **collaborative structures** (cross-functional teams, shared KPIs); and leadership modeling — executives who punish dissent get silence, then explosions. **Whistleblower protections** and skip-level meetings surface latent conflict early.

Measuring What Matters

Evaluate: **resolution rate and speed** (time from filing to closure), **recurrence** (do the same parties/issues return?), **satisfaction with process and outcome**, **relationship quality** post-conflict, and **organizational indicators** (grievances, turnover, litigation, absenteeism). A good system shows faster resolution, less recurrence, and — paradoxically — **more reported disagreements** early on, because people trust the system enough to use it.

Key Terms & Definitions

Face	Social self-image; threatening it escalates conflict.
Collectivist conflict style	Indirect, harmony-preserving, mediation-friendly.
Conflict audit	Systematic review of where disputes cluster.
No-retaliation guarantee	Protection encouraging early dispute reporting.

Example: Face-Saving Feedback in Lahore

A Karachi-based manager publicly corrected a Lahore team lead's error in a joint meeting. The technical point was right, but the public correction caused loss of face — the lead disengaged for weeks. Restaged privately with the lead's own proposed fix acknowledged first, the same correction was accepted gracefully. Same content, different cultural packaging, opposite outcomes.

Module Summary

- Culture shapes style: collectivist→indirect/harmony; individualist→direct/confrontational.
- Protect face; in high power distance, confront privately and use senior mediators.
- Institutionalize: grievance systems, conflict audits, training, collaborative structures.
- Measure: speed, recurrence, satisfaction, relationship quality, org indicators.

Exam Pointers (Very Important)

★ How do individualism-collectivism and power distance shape conflict behavior?

★ What is 'face' and why does it matter in conflict?

★ Design a conflict audit: what would you measure?

★ Why might more reported disagreements signal a healthier system?