

IMPACT OF “WORKPLACE CONFLICT MANAGEMENT STRATEGIES” ON ORGANIZATIONAL PERFORMANCE (WITH REFERENCE TO PRIVATE SECTOR BANKS)

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Abstract: In today’s business atmosphere, conflict in the work place is a noteworthy issue; hence handling conflicts in private banks is essentially very important. Conflict is integral in organizational life and has both likely benefits and costs. Conflict management strategies influences individual wellbeing, group performance and organizational effectiveness. The manager must be able to understand why and when conflict arises and in what situations conflict frequently occurs. The managers must also know the different tactics and strategies used to manage conflict and the challenges they face in managing the conflict. Descriptive research design was used in the study. This study is to address the impact of workplace conflict management strategies on organizational performance with reference to private sector banks i.e. HDFC, ICICI, AXIS.

Keywords: conflict, professional mediators, organizational effectiveness.

Introduction

Conflict is a perpetual given of life, although varying view of it may be held. Some may view conflict as being a negative situation which must be avoided at any cost. Others may see conflict as being a phenomenon which necessitates management. Still others may consider conflict as being an exciting opportunity for personal growth and so try to use it to his or her best advantage. Whoever may fall on this continuum of viewpoints concerning conflict, seldom would one expect to be in a continual state of conflict as for the basis for employment. Conflict free company has never existed and never will exist. Antagonisms, tensions, aggressions, stereotypes, negative attitudes and the frustrations of perceived conflicting need will always be present wherever men are forced to live and work together. However, conflict in organizations is a daily occurrence. Conflict management involves implementing certain strategies to eliminate the negative aspects of conflict, increase the positive aspects of conflict and to enhance performance and effectiveness in an organized setting. Rather than eliminating or avoiding disagreements, the

purpose of Conflict management is to teach groups conflict resolution skills, such as managing conflict, finding self-awareness about the types of conflict and effectively communicating while in conflict with a team member. These skills assist teams in establishing a positive outcome from conflict.

Many communication texts make reference to strategies used by individuals (or small groups or organizations) in the management of conflict. Some include spectrum of strategies, while others concentrate on an elaboration of a single strategy. Although some researchers have described a variety of strategies, no one makes the claim that his/her list would include all possible strategies apparent in a conflict situation. Fraser and Hipel (1984) refer to a strategy as "any set of options that can be taken by a particular player (participant). While noting that the function of conflict analysis is the enabling of participants to make better decisions, they recognize three steps in approaching conflict. First, they recommend what is referred to as modelling; that is, the considering of conflict as a whole. Second, the participant must determine all possible resolutions to the conflict. Third, particular strategies must be evolved. When people find themselves in conflict, their behavior can be described in terms of where it lies along two independent dimensions.

Five conflict management strategies:

Accommodating is unassertive and cooperative the opposite of competing. It's sacrificing one's own concerns to satisfy the other person's. The accommodating strategy essentially entails giving the opposing side what it wants. The use of accommodation often occurs when one of the parties wishes to keep the peace or perceives the issue as minor. Employees who use accommodation as a primary conflict management strategy, however, may keep track and develop resentment. Avoiding is unassertive and uncooperative. Trying to sidestep or postpone the conflict, satisfying neither person's concerns. The avoidance strategy seeks to put off conflicting definitely. Collaborating is

assertive and cooperative. Trying to problem solve to find a solution that completely satisfies both one's concerns and the other's. Collaboration works by integrating ideas set out by multiple people. The object is to find a creative solution acceptable to everyone. Collaboration, though useful, calls for a significant time commitment not appropriate to all conflicts. Compromising is partially assertive and partially cooperative. It's looking for an acceptable settlement that only partially satisfies both one's own and the other person's concerns. The compromising strategy typically calls for both sides of a conflict to give up elements of their position in order to establish an acceptable, if not agreeable, solution. This strategy prevails most often in conflicts where the parties hold approximately equivalent power. Competing is assertive and uncooperative. It's trying to satisfy one's own concerns at the other's expense to win. Competition operates as a zero sum game, in which one side wins and other loses. Highly assertive personalities often fall back on competition as a conflict management strategy. The competitive strategy works best in a limited number of conflicts, such as emergency situations

Banking sector in India:

Banking in India, in the modern sense, originated in the last decades of the 18th century. The Indian banking sector is broadly classified into scheduled banks and non-scheduled banks. The scheduled banks are those included under the 2nd Schedule of the Reserve Bank of India Act, 1934. The scheduled banks are further classified into: nationalised banks; State Bank of India and its associates; Regional Rural Banks (RRBs); foreign banks; and other Indian private sector banks. The term commercial banks refers to both scheduled and non-scheduled private banks regulated under the Banking Regulation Act, 1949.

Generally banking in India is fairly mature in terms of supply, product range and reach-even though reach in rural India and to the poor still remains a challenge. The government has developed initiatives to address this through the State Bank of India expanding its branch network and through the National Bank for Agriculture and Rural Development (NABARD) with facilities like microfinance. and non-scheduled banks. The scheduled banks are those included under the 2nd Schedule of the Reserve Bank of India Act, 1934. The scheduled banks are further classified into: nationalised banks The Indian banking sector is broadly classified into scheduled banks and non-scheduled banks. The scheduled banks are those included under the 2nd Schedule of the Reserve Bank of India Act, 1934. The scheduled banks are further

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Private Banks in India:

The private sector banks in India represent part of the Indian banking sector that is made up of both private and public sector banks. The "private sector banks" are banks where greater parts of stake or equity are held by the private shareholders and not by government. Banking in India has been dominated by public sector since the 1969 when all major banks were nationalised by the Indian government. However since liberalisation in government banking policy in 1990s,

Old and new private sector banks have remerged. They have grown faster and bigger over the two decades since liberalisation using the latest technology, providing contemporary innovations and monetary tools and techniques. The private sector banks are split into two groups by financial regulators in India, old and new. The old private sector banks existed prior to the nationalisation in 1969 and kept their independence because they were either too small or specialist to be included in nationalisation. The new private sector banks are those that have gained their banking license since the liberalisation in the 1990s.

List of the new private-sector banks in India

1. Bank of Punjab Ltd. (since merged with Centurion Bank)
2. Centurion Bank of Punjab (since merged with HDFC Bank)
3. Development Credit Bank Ltd.
4. HDFC Bank Ltd.
5. ICICI Bank Ltd.
6. IndusInd Bank Ltd.
7. Kotak Mahindra Bank Ltd.
8. Axis Bank (earlier UTI Bank)
9. Yes Bank Ltd.

Objectives of the study

1. To determine the challenges of conflict management faced by private banks.
2. To establish the conflict management strategies adopted by private bank.

Purpose of the study

This study is focusing on private banks with respect to their employees and bank managers who are working in a particular branch. This research work will be of great use to the private Bank knowing the best strategy to adopt in managing conflict so as to benefit both Parties (employers and employees). It will also help them to learn how to recognize and benefit from their differences in the bank. And also it will determine the challenges of conflict management faced by private banks. Findings of the study will also be important to students, scholars and other researchers who may be interested in understanding the management of conflict in the banking sector. The study will go a long way to increase the existing body of Knowledge in the area of conflict management to other organizations, this study will bring up the best conflict management strategy which can be borrowed and applied to other sectors of the economy by those facing similar challenges in managing conflict.

Research design

Data Collection:

The study utilized primary data and secondary data. The data was collected using a questionnaire. The questionnaire consisted of both closed and open ended questions. The questionnaire was administered on a drop and pick up later basis. The questionnaire was distributed among various branches of HDFC, ICICI and AXIS in Mode of dispatch included delivery as well as through mail, Follow up visits was also under taken to get the work complete. Personal interaction with the Bank’s Managers was established as and when it deem necessary. Confidentiality of personal information was guaranteed to avoid embarrassing situation for the employee among their colleagues.

Population of the study:

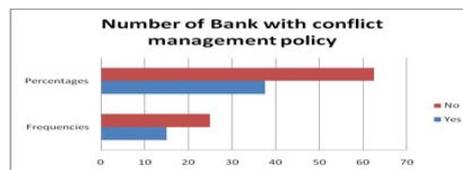
The questionnaire is distributed to selected employees based on references by third party. 10 employees from each bank are considered for study. Total sample size of the study is 30 employees.

Data analysis, presentation and discussions:

Descriptive statistics was used to summarize the data. These included frequencies and percentages, which were used to determine strategies adopted by private banks .For example, the strategies with the highest frequency

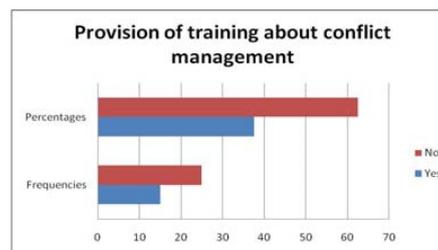
as well as percentage were deemed as the most popularly used.

1.Number of Banks with conflict Management



From Figure above, it is evident that out of the total respondents, 37.5% of the banks had a conflict management policy in place, while 62.5% of the respondents did not have a conflict management policy

2.Provision of training about conflict management by banks



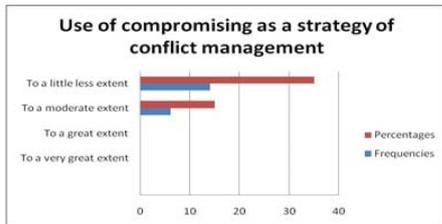
From Figure above 37.5% of the banks provide training on conflict management to the employees. This is healthy for the organization and employees because if this is not done, it has got far-reaching implications on the employees. However, 62.5% of the banks did not provide any training on conflict management.

3. Strategies adapted by commercial banks



Figure above shows that 12.5% of the respondents used accommodating as a strategy for conflict to a very great extent, 25% to a great extent, 50% to a moderate extent, 10% to a less extent, and 2.5% did not use the strategy at all.

4. Use of compromising as a strategy of conflict management.



As shown in Figure above, 15% of the respondents used compromising in the management of conflict to a moderate extent, 35% to a less little extent and 50% did not use the strategy at all.

5. Challenges of conflict management faced by private banks

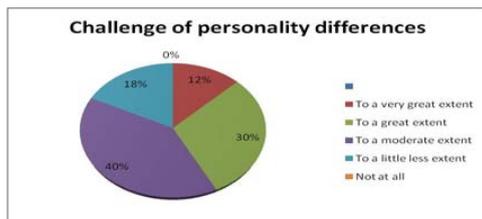


Figure shows that 12.5% of the banks faced personal differences as a challenge in conflict management to a very great extent, 30% to a great extent, 40% to a moderate extent, and 17.5% to a little less extent.

Findings, Recommendations and Conclusions:

From the study it is noted that the private banks faced the challenge of personal differences, , challenge of changing environment (globalization and technology), different ways of conflict management, challenge of critical skills associated with handling difficult people and situations, challenge of competition over scarce resources, the challenge of creating structural for consensus processes, challenge of cooperative discourse and the challenge of change. The challenge that was most popularly faced was competition over scarce resources followed by the challenge of different cultures and faith considering that banks employee so many employees from all sorts of life. All the banks faced all the challenges. From the study it is noted that the private banks used the strategies of accommodating, compromising, competing, collaborating and avoiding.

The strategies that were most popularly used was avoiding and collaborating.

Recommendations

The management of the private banks should take bold step on trainings on conflict management to have the knowledge of managing conflict. They should alsensure that all the employees are having enough knowledge on conflict management by having frequent in-house training.

Conclusions

From the study it is noted that the private banks used the strategies of accommodating, compromising, competing, collaborating and avoiding. The strategies that were most popularly used were avoiding and collaborating. It is advisable for private banks to use a combination of two or more strategies so that objectivity is observed. The findings of the study also point to the fact that similar strategies are used by banks irrespective of their age, ownership and size.

Limitations of the study

The response rate was not as high as expected because some would-be respondents failed to return their questionnaires, while others declined to be involved in the study claiming that there is no time to fill in the questionnaires implying that they are busy.. Out of the 30 questionnaires that were distributed, only twenty were collected. The contents of the study would have been richer if a larger number of respondents were involved. The response rate was too low to allow for the use of statistical tests.

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