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Management and Conflict Resolution: Conceptual Tools for Securing Cooperation and Organizational Performance

Halvor Nordby

Abstract

In theories of conflict management, managers' conflict resolution skills have often been understood as their relational attitudes and ability to communicate, but choices of conflict resolution strategies in organizational management should also depend on the types of conflicts managers face. Understanding how a complex conflict situation involves one or several conflict types is a matter of understanding the deep structure of the conflict. Knowledge of such deep structure is a key to realizing what the conflict is about and how it should be resolved. The chapter uses conflict theory to distinguish between six conflict types that are especially important from an organizational perspective: *interpretation conflicts*, *argumentation conflicts*, *value conflicts*, *interest conflicts*, *role conflicts* and *personal conflicts*. After having clarified their signifcance in an organizational context, the chapter elucidates how knowledge of the conflict types and how they are logically related to each other can be used in managers' conflict resolution practices. The last part of the chapter uses the conflict types to develop a model for practical conflict resolution in management. The model can be used as a tool for analyzing conflict situations—to gain a deeper and more systematic understanding of how the situations should be resolved in accordance with the best interest of the organization.

Keywords: conflict resolution, organizational management, conflict types, communication, agreement

1. Introduction

It has been extensively documented that managers need conflict resolution skills in order to secure sound organizational performance [1–5]. Managers need to understand how

productive conflicts are healthy for their organization and how destructive conflicts have negative consequences [6–9].

In the literature on conflict management, managers' conflict resolution skills have often been understood as their handling styles, communication competence and ability to convey appropriate values and attitudes [10–15]. What has received less attention is that choices of conflict resolution strategies should depend on the types of conflicts managers face.

In this chapter, I argue that knowledge of conflict types is important for managers and use conflict theory to distinguish between six types that are especially important from an organizational perspective. *Interpretation conflicts* occur when fundamental disagreement is caused by different interpretations of verbal or non-verbal communicative acts. *Argumentation conflicts* are conflicts in which the disagreeing parties endorse incompatible arguments or weigh the strength of arguments differently. *Value conflicts* are conflicts in which the parties strive for incompatible ideals of what they consider to be valuable. *Interest conflicts* occur when the parties seek to realize inconsistent aims at personal or group level. *Role conflicts* are conflicts in which there is lack of clarity or disagreement about formal or informal roles. The final category, *personal conflicts*, involves disagreement that is grounded in perceptions of unacceptable personality traits or attitudes.

After explaining how these conflict types are relevant in organizational contexts, I clarify how knowledge of the conflict types can be used in conflict resolution at management levels. The fundamental idea is that the conflict types are logically related to each other, and that there is, for each conflict type, a core methodological principle for concept resolution that managers should focus on. In the last part of the chapter, I categorize these principles in an overall model for practical conflict resolution in organizations.

2. Background

In order to understand the importance of managers' conflict resolution practices in organizations, it is necessary to have a more precise understanding of the concept of conflict. Theorists differ somewhat in their definitions of the concept, but there is widespread consensus that a conflict involves more than disagreement: conflicts involve use of power and means to realize interests [4, 7, 9]. This means, as Sibana ([16], p. 11) observes, that conflicts are 'derived from social beliefs and involve two or more parties who share incompatible objectives.'

Note that this definition of a conflict is neutral with respect to whether conflicts may be good or bad for an organization. In conflict theory, the potential positive and negative dimensions of conflicts have often been connected to the distinction between productive and destructive conflicts [2–4, 6]. As thoroughly elaborated by Rahim [8] in his influential analysis of conflicts in organizations, a productive conflict is a conflict that has positive functional effects for an organization. Destructive conflicts, on the other hand, are conflicts that have dysfunctional outcomes. Thus, if an organization is to benefit from a

conflict, 'the negative effects of the conflict must be reduced, and positive effects must be enhanced' ([8], p. 7).

The importance of recognizing productive conflicts should not be underestimated [16, 17]. At the same time, it is not difficult to understand why destructive conflicts have received most attention in the literature on social interaction in organizations. It is when cooperation breaks down, when poor interaction undermines organizational performance, that the importance of conflict resolution as a management responsibility really becomes crucial [17]. Further on in this chapter, this will be a key point. Although many of the analyses developed in this chapter can be used to understand all social conflicts, I focus particularly on destructive conflicts.

3. Conflicts in organizations

Conflict resolution is of general significance in social relations, but of special importance in areas of discourse in which poor communication can have substantial negative consequences. Organizations are such areas, and this explain why conflicts have received so much attention in management theory [1–4, 6, 7].

Many theorists have, in fact, argued that managers' conflict resolution skills are of crucial importance in organizations. In recent years, it has been extensively documented how conflicts undermine organizational performance [2, 5, 6, 12]. Many analyses have focused on negative consequences of conflicts when they occur, and concepts such as work engagement and job motivation have been used to explain why managers' preventive conflict work is important [18–22].

The significance of reactive and proactive conflict resolution is often associated with the conflict ladder [23]. This metaphor has been used to explain how an initial situation involving a minor dispute can accelerate and turn into a brutal conflict with severe negative consequences, as illustrated in **Figure 1**.

The conflict ladder can be applied in a variety of analyses of conflict escalation, but it is widely recognized that it is of special importance in heterogeneous social relations. This is primarily because the probability of escalation increases in social networks where people with different backgrounds, ideas and values work together [20, 23, 24]. Organizations typically have these characteristics, and it is therefore not difficult to understand why many theorists have been concerned with how tensions between personal and professional perspectives in organizations determine how conflicts arise and develop in accordance with the conflict ladder.

The importance of bridging opposing interests in order to prevent conflict escalation has received particular attention in the management of organizational reforms—when managers lead processes of change. As shown by Kotter in his influential *Leading Change* [25], in processes of reorganization it is crucial that managers secure good communication and
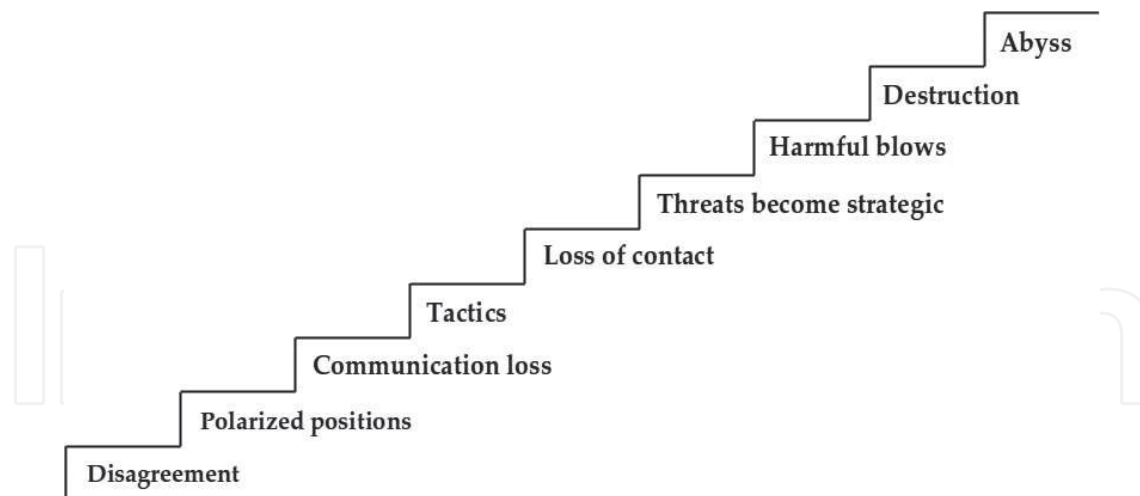
Figure 1. The conflict ladder (Glasl, 1982).

have the ability to create shared understanding despite a diversity of interests and professional perspectives. A key aim is to create an inspiring organizational culture, give employees the same knowledge of aims and processes and make sure that teams function well. In fact, most models of organizational change are based on the idea that agreement is the goal and that conflicts can have substantial negative consequences in social relations [26]. In general, good communication in organizations involves much more than information exchange. Securing organizational communication also has a relational element. Dialog, both centrally at top management levels and throughout the organizational structure, is crucial for creating well-functioning teams and a shared sense of commitment [2, 13, 27].

4. Resolution skills

The importance of managers' conflicts resolution skills has received much attention in organization theory. It is not difficult to understand why this is the case: managers not only have crucial relational roles, which are sometimes described as the glue that holds organizations together [28]. They are also driving forces in strategic work. Managers have a special responsibility for achieving overall goals through dedicated and motivated employees [6, 12, 22]. These goals can only be achieved if managers have both a proactive and a reactive focus on conflict resolution. Having such a focus is so important that it is often formally specified as a requirement for managers, and it always falls informally under their responsibility and role as managers.

In analyses of this responsibility, managers' ability to resolve conflicts has often been understood as their use of handling style. Five different handling styles have received particular attention in conflict resolution theory: integrating, obliging, dominating, avoiding and

compromising [1]. These four strategies correspond to managers' attitudes and how they confront conflicts with attitudes that correspond to the resolutions strategies [4, 8, 11].

The focus on conflict-handling styles in the literature is understandable, but focusing too much on this involves a danger: how successfully managers resolve a specific conflict will depend not only on their attitude to relational aspects of the conflict but also on its content. In other words, it is not only knowledge of how a conflict can be addressed by using handling styles but also the underlying nature of the conflict in question that should guide managers' choice of actions. By transcending the complex surface of a conflict situation and identifying the deep structure as one or several conflict types, it is easier to determine how the conflict should be resolved.

5. Types of conflicts

Further on in this chapter, I will distinguish between six conflict types. I will then argue that there is a logical connection between them that it is especially important for managers to have knowledge of.

5.1. Interpretation conflicts

These conflicts occur when one or both parties in the conflict ascribe to the opposing party beliefs the party does not, in fact, have, so that disagreement about an issue of discourse is, in reality, caused by inconsistent perspectives of interpretation.

Such conflicts can be of two kinds. *Semantic* interpretation conflicts occur when the opposing parties do not attach the same meaning to the language that is used: the interpretive gaps are so profound that the parties express different concepts even though they use the same communicative expressions [29, 30]. *Associative* interpretation conflicts occur when the parties do not form the same beliefs about written or verbal communicative acts even though the acts are, in themselves, understood similarly. In such cases, the problem is that even though the parties understand the thoughts that are strictly speaking expressed in language, they associate these thoughts with very different beliefs [31, 32].

An iceberg metaphor has often been used to explain how communicators are disposed to form strikingly different interpretations of communicative acts. What is literally expressed in language is only one aspect of communication. As Davidson ([32], p. 449) notes, interpretation also rests on 'rest on vast vague assumptions about what is and what is not shared by the attributer, the person to whom the attribution is made, and the attributer's intended audience'. All interpretation conflicts are caused by misinterpretation that occur when belief attribution is incorrect: the beliefs one party ascribes to an opposing party are not beliefs the opposing party actually has.

Interpretation conflicts are in fact *pseudo conflicts*—there is no real disagreement about an object of discourse. What the parties think is real disagreement is, in fact, a misunderstanding.

This means that an interpretation conflict is never perceived by the involved parties to be such a conflict. If that were the case, the parties would realize that they misunderstand each other and the conflict would dissolve.

5.2. Argumentation conflicts

Argumentation conflicts are conflicts in which disagreement is grounded in incompatible arguments or arguments that the parties do not perceive as having the same strength. Argumentation conflicts typically arise when the conflict parties focus on very different arguments, but they can also arise when the parties are concerned with the same arguments but disagree about their soundness or practical implications.

In resolving argumentation conflicts, it is important to distinguish the aim of understanding arguments from the aim of determining their strength. This is a fundamental distinction that has received a lot of attention in philosophical communication theory. It is not possible to understand whether a person has a plausible justification for a point of view unless one has uncovered the person's justification in the first place [33, 34].

Achieving this aim of justificatory understanding in practical conflict resolution is to a large extent a matter of creating an atmosphere conducive to constructive and equal dialog [8–10, 13]. An important goal is to base communication with the parties on knowledge of why the parties think they are entitled to have the views that they have. Theorists have presented a variety of methods for resolving argumentation conflicts on the basis of this kind of communication, and although these methods differ in detail, there is widespread agreement that any strategy for resolving argumentation conflicts should involve four principles [7]: (i) make the parties understand that there is a problem, (ii) define the problem, (iii) find ways of solving the problem and (iv) if the problem cannot be solved, find ways to avoid it.

In the prevention of argumentation conflicts in organizations, it is essential to create mutual understanding of organizational knowledge and facts about frameworks that all employees must accept. Sound *communication management*—inspired by Habermas' theory [34, 35] of emancipatory dialog—presupposes that managers convey arguments that employees are capable of evaluating the soundness of. In an ideological sense, the ideal of focusing on rational arguments in conflict resolution falls under the principle of finding solutions that are grounded in shared knowledge of the best interests of the organization.

5.3. Value conflicts

These conflicts arise when the parties in a conflict have opposing values that influence their preferences for action—the beliefs they have about how they think it is correct to act. Value conflicts pose a double challenge for managers. They need to uncover the values that are at stake for the conflict parties, but they also need to decide, normally in dialog with one or both parties, how some values should prevail.

The latter task in particular can be challenging as long as values are of fundamental importance to those who have them, but nonetheless different from (descriptive) beliefs about the world. In general, when we are concerned with values, we are (normatively) concerned with how something should be. Values are ideals we strive for, norms we think we are entitled to realize [23, 36].

It is precisely this aim of uncovering personal ideals that is the natural starting point in value conflicts. After such an uncovering, the values of the parties can often be challenged in a constructive way, so that they reconsider their own value preferences on the basis of reflection about beliefs the values are based on. At the same time, this strategy depends on the nature of the values the conflict involves. Personal values are not the same as cultural values that are accepted as sound within a social context, and contextual cultural values must, in turn, be understood in the light of more general value concepts like equality, freedom and solidarity [37–39].

Thus for managers, the first communicative aim in value conflicts is to clarify the opposing values and how they are perceived as central in the conflict. The next aim is to create room for reflection about the importance of the values, and how the values are consistent with the organizational framework that the parties must accept [21]. This requires communication skills that involve much more than uncovering facts. The reason is that values are not true or false—they cannot be corrected in the same way as incorrect beliefs [40]. Resolving value conflicts is in itself a value-laden activity that requires sensitivity and consciousness about values.

5.4. Conflicts of interest

These conflicts arise when conflict parties have incompatible goals that they strive to fulfill. Managers typically face conflicts of this kind in reorganizations or processes of change, often involving union representatives or groups of employees who are opposed to each other, but sometimes no more than two individuals [25]. The conflicts can resemble value conflicts, but differ in the sense that the parties in interest conflicts have a more strategic intention of achieving a goal that benefits themselves [4, 20].

The tension in such conflicts can be high, especially when the parties believe that they have very good reasons for endorsing their own interests. Actions that are grounded in interests are to a large extent goal driven, and the goals are often defined as something that offers a personal outcome. Interests at stake can be individual or collective, and tensions can arise on various levels in an organization [41].

In resolution of conflicts of interests, it is important for managers to understand the interests that the conflict involves and thereafter determine whether they are compatible with organizational principles that all the parties must accept. This is, to a large extent, a matter of giving factual information: by conveying organizational knowledge managers can often create a shared understanding of the best interests of the organization [42]. It is,

moreover, important to talk openly with employees about organizational visions and arguments in support of them [25]. Managers who initiate dialog about core organizational values and listen to employees' views about aims and means of achieving them are in a good position to create agreement and cooperation in accordance with the best interests of the organization [13, 43].

5.5. Role conflicts

Role conflicts arise when the conflict parties have different views about areas of responsibility, distribution of tasks and borderlines between formal and informal roles. These conflicts can easily arise if there are many gray zones between roles and uncertainty about routines and competence skills [2–4, 44].

Managers have, in the first instance, a responsibility for creating clear areas of responsibility, as a preventive means of avoiding role conflicts. When such conflicts arise, managers should make sure that there are clear agreements, and that they are accepted by all the conflict parties. Initiatives to change roles can be unpopular among employees who are given limited freedom to do what they want, but managers need to make decisions that benefit the organization.

Role conflicts can easily arise when there are tensions between professional and administrative roles. These role conflicts have become increasingly common in organizations, in the light of modern ideals of economic-administrative management 'from above', and professional pressure from first-line services 'from below' [43–47]. This double pressure can be especially challenging for managers who have to bridge the two worlds: they must understand the roles of those who work on the periphery of the organization while at the same time be sensitive and heedful of centralized pressure. The solution is often to look at distribution of roles in the light of actual competence and to acknowledge that individual employees have different beliefs about areas of responsibilities, depending on where they work in the organization [13, 28].

5.6. Personal conflicts

Personal conflicts arise when someone perceives others' way of being as unacceptable or provocative. These conflicts are not connected to social roles or interests we strive to fulfill. They concern instead who we are as individuals, the personality traits we have and how we express attitudes [7, 10, 47, 48].

The fact that personal conflicts are rooted not so much in persons' actions as in the persons themselves makes them especially challenging to resolve. Any attempt to encourage the conflict parties to reconsider their way of being can easily be experienced as personal criticism, which in turn creates communicative distance or, in the worst case, complete denial.

Good communication skills are required to resolve personal conflicts. There are four main communication strategies managers can use. A *relational* strategy is to make it clear to the

parties how they experience each other. A *confronting* strategy is to make it clear that (and ideally why) some actions are unacceptable. A *pragmatic* strategy is to make it clear to the parties that they must be able to work together even though they do not have very good chemistry. A *functional* strategy is to make it clear that the conflict has unacceptable negative consequences for the functioning of the organization and that the parties must work together in order to ensure that it continues to function.

The choice of which communication strategies to use will depend on the content of the personal conflict and the context in which it arises, but all the strategies can be used to improve interaction if they are adapted wisely to the situation in question. For managers, it is also important to work preventively, by accentuating ideals like respect, openness and equality among employees with idiosyncratic personalities [10, 13]. When many individuals work together, the aim is always to create a shared sense of team commitment among a variety of individuals with unique personality traits.

6. A model for conflict resolution

The abovementioned conflict types can surface in various ways in organizations. At the same time, they are related to each other conceptually. In the first type of conflict – interpretation conflicts – there is no substantive platform of disagreement, no shared conception of a factual object of discourse. The parties are, in reality, talking past each other.

In argumentation conflicts, the parties have the same perception of what the conflict is about, but their views on how it should be resolved are based on incompatible arguments. The next three conflict types involve specific ideas the parties have about what they are entitled to in terms of realizing values, fulfilling interests and conforming to roles. The final conflict type—personal conflicts—can be understood as the category that remains when the other possibilities have been eliminated.

Understood like this, the way the conflict types are related to each other should guide managers' resolution practices. When confronted with a given conflict situation between opposing parties within a manager's area of responsibility, the natural first step is to determine whether the parties understand each other, whether they agree about the issue of discourse and whether they understand their own and opposing parties' arguments. If such an exploration does not lead to clarifying solutions, it is relevant to ask whether the conflict involves opposing interests or values, or incongruent role beliefs as regards organizational structure. If none of these questions can be answered in the affirmative, the conflict falls into the remaining category, personal conflicts.

It is important to bear in mind that although this step-by-step strategy has a general application, it is not always necessary to explore all the steps in detail. It may, for instance, sometimes be clear from the start that the parties do not misunderstand each other. Nonetheless, the two first conflict types can function as a check list: in cases where it is not already clear how

a given conflict should be understood, it is always relevant to ask whether it has been caused by misinterpretation or incompatible arguments related to an area of discourse within the relevant organizational context.

More generally, there is a logical connection between the six conflict types that can serve as a model of preparedness, as illustrated in **Figure 2**. The conflict types may certainly overlap, and a given conflict may involve several conflict types. Furthermore, there are sometimes gray zones in which it is not clear how a given conflict should be analyzed. Nevertheless, considering each conflict type in turn will normally lead to clarifying insight. Ordinarily, it is not necessary to do more than ask a core question corresponding to each conflict type. As regards the two first types—interpretation conflicts and argumentation conflicts—the questions can be formulated as follows:

- Do the opposing parties have very different interpretations of the conflict?

- Are the parties concerned with very different arguments?

It may be sufficient to ask these questions if the conflict is, in fact, based on incompatible interpretive frameworks. The questions can also be used in dialog with the opposing parties to develop a shared understanding of what the conflict is about. Such a platform of
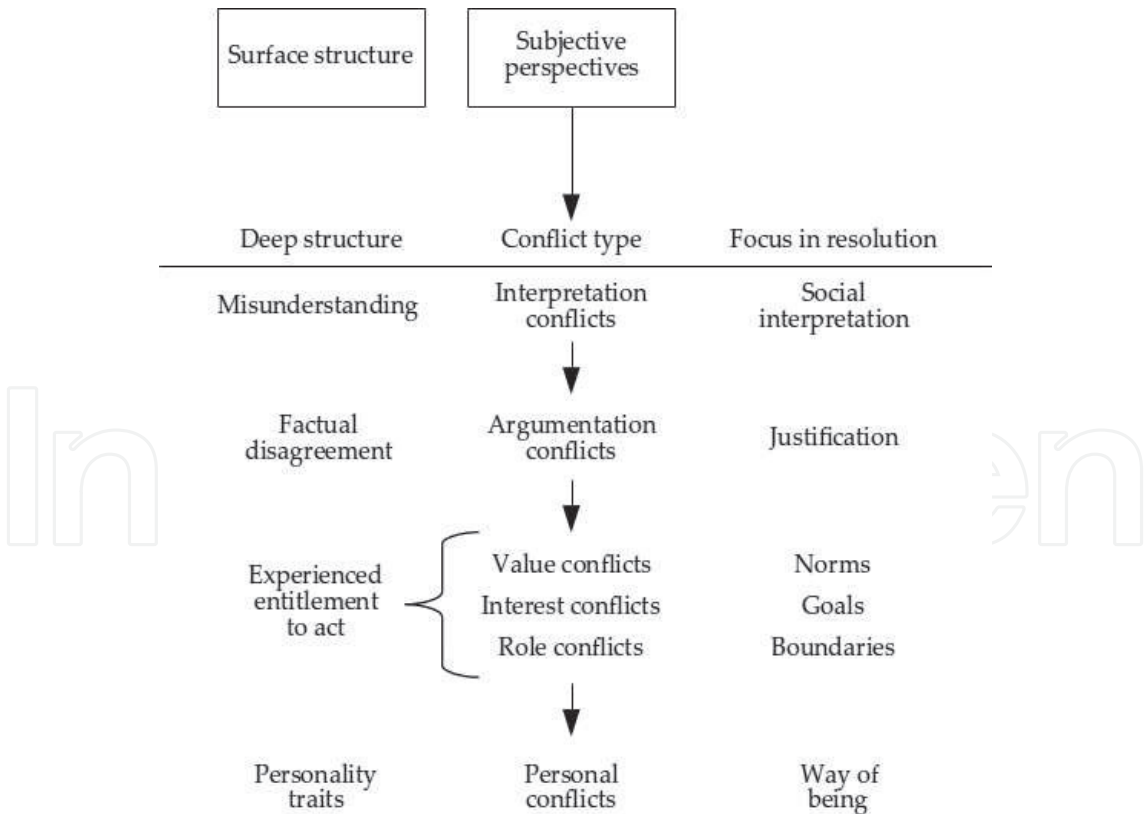

Figure 2. Model for conflict resolution.

agreement is often knowledge of facts in the world, but the idea has a wider significance: in all conflict resolution, it is crucial to find something the parties can agree on, something that can serve as a shared starting point for constructive dialog. Furthermore, in an organizational context, the aim is always to seek agreement about the best interests of the organization.

It is also important to find a common core in the next phase: even when managers are unable to resolve a conflict by focusing on its factual basis, it is important to transcend subjective perspectives in order to understand what the problem really is. Three questions become relevant:

• Do the parties have inconsistent values?

• Do they have incompatible interests?

• Do they disagree about role distribution and areas of responsibility?

This second part of the conflict resolution process differs from the first in the sense that it is not always natural to start out with questions about values. It might be just as natural to start out with the issue of interests. In this phase, managers are therefore to a larger extent engaged in a clarifying analysis. It is necessary to understand which strategy that best fits the conflict in question.

When managers have been unable to achieve an understanding of the deep structure of a conflict by posing these five questions, it is relevant to consider the final category, personal conflicts. The problem is not merely what someone says or does, but who they are, or, at least, how they are perceived. The question becomes:

• Is social interaction undermined by personality traits?

It may be difficult to resolve this conflict type, which is, in itself, a reason for trying to resolve a given conflict situation by considering the other conflict types one by one, before concluding that a conflict situation involves a personal conflict. In general, managers should not assume that a conflict between employees in their organization is a personal conflict unless the other possibilities have been thoroughly considered and eliminated.

This means, in other words, that the resolution model can be used to explain why managers should not conclude that a conflict is personal unless they have thoroughly eliminated the other possibilities. It has been extensively documented that conflict parties too quickly assume that the problem is the opposing parties themselves more than factual or relational issues, and the model can help managers to think constructively about these issues [7, 8, 46]. Often, the core problem involves one or several of the other conflict types, and it is often easier to find solutions when this is the case. By using the model, it is possible to get knowledge of the real source of conflict escalation and to use this knowledge to work efficiently on de-escalation. The probability of finding solutions is much greater if managers do this instead of relying on a superficial understanding of the conflict.

7. Concluding remarks

The five-step model I have presented in this chapter can be understood as a resource in managers' conflict resolution practices, to be used individually or in dialog with discussion partners, like other managers in management teams. It is a tool for analyzing conflicts to gain a deeper and more systematic understanding of the situation in question so that it becomes clearer how it can be resolved step by step. The model can be used to understand complex conflicts between employees, or between employees and managers, so that the initial understanding of a conflict is transformed into knowledge of the underlying deep structure. The model can also be used in debriefing after a conflict, to understand why the conflict escalated, so that managers are better prepared to resolve a similar escalating situation the next time it occurs.

The principles in the model can, additionally, be used to analyze situations in which conflicts have not arisen even though there is a risk that they will arise, typically in processes of reorganization. Furthermore, if managers have knowledge of the characteristics of conflict types, they are better prepared to resolve destructive conflicts not only between persons they are managers for but also in their own relations to other people in their organization.

Obviously, the degree to which it is possible for managers to use the resolution model comprehensively will depend on contextual matters. Practical limitations can make it impossible for managers to pursue extensive analyses of conflict situations, but it would be wrong to think that the model is irrelevant in such situations. It does not take much time to explore the six questions above in reactive analysis of a given conflict, during a conflict or in preventive work before a conflict is likely to arise.

The resolution model is generally applicable to conflict situations, but it is particularly useful for dealing with social interaction in organizations. The complexity of the model corresponds to the complexity of organizations in which people come together from a variety of perspectives, with different beliefs, values and interests [36, 49]. These differences influence how conflicts arise in the various ways described above.

Theoretically, the aim of overcoming the diversity of perspectives and reaching agreement in organizational work is often associated with the philosopher Gadamer and his idea of a fusion of horizons [49]. For Gadamer, agreement and absence of conflict are connected to successful communication: it is impossible to separate the issue of how we understand each other from how we agree and cooperate. According to Gadamer, this implies that if people are in a social conflict, then they have not really communicated well.

Gadamer's philosophy has been developed outside an organizational context, but it is widely recognized that it is eminently applicable to organization theory. The heterogeneous nature of many organizations makes it challenging to achieve a shared understanding and a shared sense of commitment. It has been extensively documented that knowledge gaps and lack of contact between various organizational levels can lead to destructive conflicts—directly through lack of teamwork and indirectly through lack of psychological effect such

as loss of motivation and job engagement [50, 51]. Such conflicts can arise in vertical relations between different levels, but also in relations between employees who work together as colleagues.

Much more could be said about conflict in organizations and the general significance of conflict resolution and agreement as conditions for organizational performance, but this falls outside the scope of this chapter. The aim here has been to focus on the practical usefulness of distinguishing between conflict types in managers' resolution practices designed to promote agreement and shared understanding and to pinpoint this in a practical model for conflict resolution. The model can be used in a variety of ways, in a range of contexts and under various circumstances, to understand how destructive conflicts can be prevented, avoided and resolved.

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Conflict in Organization: Indicator for Organizational Values

Eneken Titov, Anu Virovere and Karin Kuimet

Additional information is available at the end of the chapter

Abstract

Through the last decades, values have been one of the hot topics for researchers. Hundreds of researches and articles describe and analyze values of different level based on different theories. At the same time, construct of values has still remained a little bit mysterious, because we still do not fully understand and agree how the values shape and develop. Fortunately, most of the researchers agree on that organizational values and success (no matter how we define the success) are connected and dependent on each other. Often in organizations, the values are described and an effort made to propagate them to the employees and integrate into everyday actions. A more complex question remains how to evaluate if the desired values have imprinted themselves in the organization. The main aim of the chapter is to show how the conflicts in the organization might be used as the indicators of organizational real values. The chapter is based on the former researches of the authors and others. Results show that conflicts describe organizational real values and therefore organizational conflicts can be used as a tool to assess the implementation of organizational values.

Keywords: organizational values, conflict management, organizational conflict

1. Introduction

Values are probably one of the most studied constructs. Through previous researches, we can be sure that values impact our behaviour—our decisions and choices. At the same time, only real and true values—values the person really believes in has this power. In the ideal world, propagated (values that we should believe in) and real values ought to coincide, but the results of our researches demonstrate that while propagated values in organizations are

on higher levels of value systems, then the real values are usually placed on the lower level [1]. So, our values are not always so ethical and people-oriented as we like to think.

Previous conflict researches in Estonia and abroad have presented the most common causes of conflicts due to organizational issues (limited resources and their distribution, interdependency, differences in goals and in viewpoints, managerial mistakes, unclear status and communication problems). While analyzing conflicts, it is important to determine whether the conflict is solved or unsolved and then we discover which values have been used during the conflict solving and decision-making process. In addition to the main characteristics of conflict, three important aspects can also be brought out: conflict is always related to relationships, there are several parties in a conflict and there is a problem or main question that has caused the conflict.

Up to now, there have been many investigations about organizational values and from the other hand also investigations about conflict management. But there is a gap in connecting these two phenomena. The authors of the present chapter proceed from the hypothesis that the real (shared) values of an organization reveal themselves in the behaviour and decisions of the managers and in how they manage conflicts. Knowing the people's real values, the organization can also increase the threat of potential conflicts and through that make conclusions to increase organizational success. The latest management theories already speak about the values as one of the factors determining organisation's success and conflict culture plays an important role in achieving this target.

2. Organizational values

Organizational values are defined in many ways, as often the values are divided or classified into different levels, classes and categories. Although not all authors agree on one definition of organizational values, there are still some agreed criteria, which are most often found to describe the values. According to Woodward and Shaffakat [2], there are some general elements in different approaches of values, like values are understood as standards and guiding principles, values are abstract and connected to many other concepts, values are learned and remain relatively stable over time, values exist in hierarchy and values influence people's choices. Generalizing the different views, the values are interpreted as beliefs, standards, principles and preferences, but different authors mostly agree that values play an important role in behaviour and are influenced by the external environment [3].

The definition of organizational level values is generally rewording of an individual level definition, that is, values in an organization are deeply ingrained principles that guide the actions of the organization [3]. They are "enduring beliefs" that specify a mode of conduct; they specify what is and is not acceptable behaviour within an organization or workgroup [4]. Still more clearly, Bell [5] defines organizational values as a set of acceptable or expected norms or bounds of behaviour for the individual members of an organization. Dose [6] brings in the aspect of decision-making—values are estimated standards according to which members of an organization make decisions what is "right" or why one alternative is preferred to another. Values are often defined as beliefs or guiding principles that are core to the organization and help steer

the right actions [7]. Organizational values represent a form of consensus regarding the values that a social group or organization consider important for its aims and collective welfare [8].

Many organizations declare that they have their own and unique values but just having values in strategy or webpage is not enough. Just described or propagated organizational values by management are not the sign of healthy and successful organization. These organizational values are only formally espoused and sanctioned by top managers [9]. Propagated values are the values that managers regard to be right; real values are those that the managers factually use in their managerial practice, decision-making and conflict management [1]. There are many "ifs" before it can be said that values really lead organization to success. Individual and organizational values must be incongruence. Values must express in the behaviour and every activity in the organization must be in coherence with the same core or real values. As important is that individual and organizational values are incoherence. Several authors have emphasized that not only having implemented organizational values but also those values must be supported and applied by the managers and employees. Hyman et al. [10] contends that a positive perception of the values and beliefs of the top management by employees will lead to higher performance outcomes. Bergeron [11] concludes that individuals perceiving high congruity between organizational values and their own will feel more motivated. Congruity between the values of an employee and their organization will positively influence the employee's performance [12]. When employees know what the company values, they are more likely to make decisions that will support those values [13]. Shared values assist in creating unity in a team and lead to consistent behaviour [14]. In addition, when values are shared, management knows what kind of work and behaviour to expect [15]. The process of establishing and verifying common values requires open, honest communication and sharing of what is important to each individual [16, 17].

A key metric of good management, then, is that whether clear and consistent values have permeated the organization [18]. According to Collins [19], organizational values cannot be "set"; they can only be "discovered" because the organizational values do not "appear" but "reveal" in behaviour. In addition to right and implemented values (values that lead toward success and sustainability) in an organization, another important facet is the stability and longevity of such values, since it takes time for values to firmly root themselves. There is a strong link between financial performance and the alignment of an organization's cultural values with employees' personal values [20]. Companies with strong adaptive cultures based on shared values outperform other companies by a significant margin [21]. Employees who feel that an organization values the same things that they do will be more likely to have attachment to their organization [22], they are more likely to have positive attitudes and less likely to leave the organization [23], they feel more loyal and committed and identify more strongly with the organization [24] and the performance is going to improve [11, 12]. All those factors, in turn, are in positive correlation with organizational success [25].

During the two decades, researchers have connected the organizational values with different phenomena. Through those relationships, the concept of organizational values has become even stronger and important, having a clearer impact also on organizational success and sustainability. Values have an impact on different processes and characteristics in the organization. For example, employees' satisfaction and persistent organizational values emphasize the managers'

job in shaping and enhancing values [26]; stronger internal culture and values create stronger company brand [20]; mismatch of personal and organizational values can be one of the key risk factors for the development of occupational burnout [27] and discrepancy between personal and organizational values can cause insecurity and disengagement, which may lead to job burnout with cynicism about the working environment as its core component [28]. A mismatch between organizational and individual values may lead an employee to leave an organization [29, 23].

Very often, the organizational values are defined by organizational culture and oppositely. One of the most influential researchers of organizational culture, Edgar Schein, brings out that organizational values are one of the key elements of organizational culture; according to them, we can understand and appreciate the culture of the organization itself, its specificity [30]. Organizational values determine organizational behaviour and culture [31]. Values are important in the organization because the resemblance in the perception of the same organizational values makes organizational culture effective and functioning [32]. Some researchers argue that only human can have values and organizations as such have no values, but because they are composed of people, their cultures are shaped by values that are shared in varying degrees [33]. Despite the wording, none doubts that values play an important role in the organizations. Bourne and Jenkins [9] conclude that "values have a long reach and a wide span of influence on critical processes and characteristics in organizations."

3. Organizational conflicts

One of the most traditional definitions of conflicts is the interaction of interdependent people who perceive opposition of goals, aims and values and who see the other party as potentially interfering with the realization of these goals [34]. No doubt that conflict is an evitable part of human existence, either in organizational life or in one's personal life. The conflict is a part of relationships within the organization, between two or more individuals and groups. Whenever people work collectively, conflict is likely to occur. Cooperation is one side of all human endeavors, and conflict is the other. Conflict has to be analyzed from both the micro and the macro perspectives, because conflict may occur at many levels, between two or more person, groups or even nations [35].

Based on a comprehensive review of the conflict literature [36], conflict can be defined as the process in which one party perceives that its interests are being opposed or negatively affected by another party. Thomas' definition supports this, whether he defines conflict as the process, which begins when one party perceives that another has frustrated, or is about to frustrate, some concern of his [37].

During the dealing with conflict, individual values affect everyone's expectations, interactions and outcomes. Conflict as a research tool can be an informative phenomenon for revealing an organization's general status real values. A conflict is the result of a closer leading to a contact stimulus and a reciprocal stimulus, which is perceived as a threat to the respective security or identity [38].

The ways in which social conflict has been theoretically conceptualized and operationally defined in psychological research have been different. Follett defined conflict simply as

"difference" [39]. Lewin had a wider view of conflict and he defined it as "a situation in which oppositely directed forces of about equal strength play upon a person simultaneously" [40]. Deutsch characterized conflict as existing whenever incompatible activities (opposing goals, claims, beliefs, values, wishes, actions, feelings, etc.) occur [41]. Psychologists and conflict scholars Pruitt and Kim developed the existing theories and described the conflict as arising from the perceived divergence of interest [42] (see also [43–46] for similar definitions). Coleman bases his views on the work of Follett, Lewin, Deutsch, and others [47]. He sees conflict not as a single event or situation occurring at a specific moment in time, but rather as a process unfolding in relationships over time [48, 49]. Accordingly, he defines the social conflict as a relational process influenced by the presence of incompatible activities [47].

Tjosvold emphasizes that conflict is a window to the drama of organisational life [50]. Organizational conflicts are always embedded in the prevailing organisational culture and depend on behavioral patterns and values that have been accepted and shared within the organization. For positive conflict culture, we need constructive communication patterns. Flink explored how various conflicts influence organizational performance and identified different dimensions of conflict—task versus relational, subjective versus objective and horizontal versus vertical [51].

According to the generally accepted opinion, conflict means misunderstanding and tension between parties. The terms "conflict management" and "conflict resolution" may have a negative undertone [52] and create an idea that conflict should be "wrestled into compliance or gotten rid of altogether." Interpretation of the term "conflict" affects the way a problem is solved [53] despite recognition that "the best time to handle people problems is before they become people problems" [54]. Usually, people do not believe that conflict might be a good thing. According to Lencioni, arguing and discussing issues (solving a conflict) tend to form stronger and healthier teams [55]. The conflict management is a major function of every organization [56]. Conflict solving style is directly linked to the microclimate of an organization [57].

From conflict theory, we know that according to their outcome, conflict can be constructive (where the solution of the conflict stimulates positive changes in the organization) or destructive (which have a detrimental effect, hindering organizational development and frequently resulting in a loss of control) [58, 59]. Similarly, conflicts can be divided into functional and dysfunctional conflicts [60].

In addition to the main characteristics of a conflict, three important aspects can be identified: conflict is always related to relationships, there are several parties in a conflict and there is a problem or main question that has caused the conflict [58, 61, 62].

Empirical evidence shows that conflict is connected with emotions [63, 64], and these emotions define an individual's interpretation and reaction to the conflict situation [65]. Therefore, conflict leads to an emotional reaction, which, in turn, drives an individual's perceptions, attitude and behaviour, particularly the individual's perception of trust.

The essential aspect is that each conflict, like most culturally based things, must be recognized, acknowledged and be managed. Resolving conflicts is beneficial to the company and makes a major contribution to a more positive environment at work, which significantly improves the employees' motivation and loyalty and the company's market position [58]. In addition,

a conflict can provide an opportunity to form and express people' needs, opinions and positions and expectation as well as to create trust between people [66].

The conflict as a research tool allows us to see the status of organisations in general, as well as the problems, which occur as a result of rapid development and variance between the people. According to a widespread opinion, all conflicts are bad and people dislike them because of their negative consequences. But avoiding and suppressing conflict is sometimes a mistake and not always in the best interests of the individuals and groups concerned [36].

The main activity for each organization and governmental authority is conflict management [56], which enables to reach the acceptance of common values. Management is faced with an enormous responsibility of ensuring optimum levels of growth and productivity in an environment that is full of conflicting situations [62]. The conflict has always been widespread in society, but it is only recently that it has generated a lot of interest and has been a focus of research and studies.

In order to change organizational culture and values, organizational learning involving conflict management and knowledge management can be used [36]. The analysis of conflict management reveals the real values in an organization. During a study, 2200 conflicts were researched (1997–2001) and the following questions were asked [1]: What are the reasons causing conflicts? How have conflicts been solved? How many conflicts are vertical? What are ethical principles violated most often? As a result of the research, it was found out that in all cases power was more important for managers than solving the conflict, and the win-win result was almost never achieved. No clear ethical principles seemed to exist. The analysis of all the conflict cases indicated that Estonian business leaders, as well as employees, lack emotional intelligence; especially, they seem to lack the competence to handle conflicts and empathy [1].

In order to be productive, conflict management should be constructive and lie in problem solving rather than contending. Conflict management is contingent upon the type of conflict issue. Cognitive conflict involving disputes over scarce resources, over procedures or policies or over opinions enhances problem solving and reduces contending behaviors, whereas affective conflict involving one's personal or group identity, norms and values does the reverse [67].

Previous research into conflicts in Estonia [58, 61] and abroad [35, 51, 68] has identified organizational issues (limited resources and their distribution, interdependence, differences in goals and in viewpoints, managerial mistakes, unclear status and communication problems) to be the most common causes of conflicts. While analyzing conflicts, it is important to determine whether the conflict is solved or unsolved and then we can discover which values were used during the conflict resolution and decision-making process. Additionally, organizational learning can also happen during conflict management when both parties' arguments are being heard. According to researchers [67, 69], a well-managed conflict provides a forum for integrating ideas that originally are thought incompatible [36].

Lumineau and Handley have demonstrated that essential distinctions exist between inter-organizational conflicts and inter-personal conflict as well as many opportunities for cross-fertilization between micro (individual level) and macro (organizational level) research on conflict management [70]. Rahim emphasized that designing effective macro-level strategies is

involved for minimizing the dysfunctions of conflict and improving the constructive functions of conflict for the purpose of enhancing learning and effectiveness within an organization [69].

In addition to the main characteristics of a conflict, three important aspects can be brought out: conflict is always related to relationships, there are several parties in a conflict and there is a problem or main question that has caused the conflict [58, 61, 62]. Conflicts are a way of confronting reality and create new solutions through the problem solving; a conflict is necessary for true involvement, empowerment and democracy. Discussing different perspectives people voice their concerns and create solutions addressing several points of view. A conflict provides an opportunity to form and express our needs, opinions and positions. A well-directed and solved conflict is an investment for the future. People trust each other more, feel more efficient and believe that their joint efforts will pay off. The sensitivity to people's ability and coherence is higher, and people are more willing to commit to their teams and organizations [66]. If the people feel that they or their team have succeeded, then this success experience supports team relations and individuals.

The ability to use the crisis as a productive conflict and relying on true ideological business values in finding the solution would enable the organization to make the right changes as well as to be sustainable. To understand productive conflict, it is essential to consider conflict management strategies because they strongly influence subsequent interactions and outcomes and conflict issues since they impact on conflicts management strategies through thoughts and feelings [67]. Organizational learning can also happen during conflict management when both parties' arguments are being heard; each other's needs and limitations that arise during work are understood. According to researchers, a well-managed conflict provides a forum for integrating ideas that originally are thought incompatible [67, 69].

One of the important parts to be successful in managing people is the ability to use a mission and values in everyday activity, evaluate thinking and not being oriented to hierarchy and unchangeable processes. The environment is changing fast and traditional organizational behaviour to not help to survive in our very competitive world. Consequently, organizations need to invest in managers and standards that strengthen the expected behaviour and performance, support the mission and values and enable values to implement.

4. Conflicts and values in organisation

As the organization cannot exist without people and every person has individual values, it is easy to conclude that a basis of all the organizational values is a set of individual values of employees. Targeting, choice of alternatives and value of individual behavioral expressions are based on values, as they form the specific behavioral norms and direct employees for the general purposes [71, 72]. At the same time, the solving of the conflicts based also on individual beliefs, experiences and values. As the Mayer defines the conflict—it can be a feeling, a disagreement, a real or perceived incompatibility of interests, inconsistent worldviews or a set of behaviors [73]. Therefore, those two constructs, values and conflicts, are closely tied both to individual and organizational level. If we want to understand the ethology of conflict

between organizational culture and strategies, it requires examination of the existing organizational values [74]. Conflict and ambiguity may arise from situations in which beliefs and values work at cross-purposes with one another in groups and organizations [75].

As the former researches show (e.g. [36]), the organizational conflicts often start from the mismatch of different and different levels of values. If the organization is filled with a multiplicity of views, then there might be no consensus on individual values and beliefs [76]. Individual values are already a part of every person and no one from outside can say that those are good or bad [36]. It is the organization's responsibility to set the standards of behaviour based on the organization's statement of values [77] to prevent possible conflicts. Behavioral norms are rooted in core values, and leaders and followers are able to reach agreement even with diverse points of view [78]. Values are often unreflected and unconscious until conflicts occur and the conflicting parties realize that their conflict derives from differences in patterns of thought and action [79]. Contradictory or competing values can cause intra- and interpersonal conflicts [46, 80] that are context and situation bound. To enhance that the tie between values and conflict may be really crucial, the research of Greenwood, Suddaby and Hinings, must be named [81]. They indicated that not only different values is an issue but also the level of values and conflicting values can cause organizational conflicts—in highly professionalized institutional fields, such as health and education, members of organizations may be influenced by conflicting institutional values [81].

However, social conflict is part of our everyday lives. It can be a major factor in human development, motivator of social change, innovation and cultural progress, but it can also lead to controversy, revenge and violent behaviour. Studies conducted over the decades have provided a significant overview of the essence of social conflicts and methods of conflict solution [41, 42, 46, 49]. Conflict analysis can also be considered as a new instrument for evaluating an organization's ethics level. Conflict as the research tool has been chosen because it is a very informative phenomenon for revealing an organization's general status. Researches show that in analyzing the management cases that power was more important for managers than solving the conflict and the win-win results were almost never achieved [1]. No clear ethical principles seemed to exist. Since the conflicts were approached driven by personal interest and power, the interests of companies were almost fully forgotten.

There are many other constructs, which seem to base on organizational values and in turn impact the occurrence of organizational conflicts. Organizational conflict often takes place between different divisions and departments in multi-divisional organizations. It has been argued, "power is, first of all, a structural phenomenon, created by the division of labour and departmentation that characterizes the specific organization … being investigated" [82]. Similarly, Scharfstein and Stein argue that divisionalisation causes organizational conflict [83]. Power and conflict are ubiquitous in organizational life [84].

Over the past few decades, conflict researchers have distinguished three types of conflicts: task, relationship [65] and process conflict [85]. Additional literature suggests that relationship conflict pertains to disagreements or frictions over personal values and mannerisms between individuals [86] and is negatively associated with performance and decision-making [87, 88].

There is a reciprocal interdependence between conflicts and relationships—relations have an impact on the results of the conflicts and that, in turn, manifest themselves in the values

that arise in resolving conflicts. This approach is in line with the comprehension that values have an impact on conflict results through interaction [89]. Therefore, values influence success through relationships [89].

Another interesting construct, which definitely matches values and conflicts and helps us to show one more important aspect of this field, is management and teamwork. It is the proven correlation that managers who value both people and productivity are also supported by efficient teams. These leaders help team members achieve innovation-friendly goals through strategy development and coordination [90]. Productivity-oriented managers identify and find ways to work effectively. Team-oriented managers value their team members, value people and thereby improve coordination through well-developed procedures [91]. If the organizational (or unit) culture and leader behaviour are clearly dependent on each other, also leaders' conflict management behaviour is related to the culture of resolving the conflicts of the units. The conflict culture is a part of the organizational culture; therefore, conflict culture influence the results of the macro level, including the viability of the organization (i.e. cohesion, potential and burnout) and the performance of the organization (i.e. creativity and customer service). The perspective of conflict culture goes beyond the individual level and gives a new insight into the dynamics of conflict management in the context of an organization [92].

McQuigan and McMehan believe that a quadrant approach offers a richer and deeper understanding of conflict in organizations, thus increasing the possibilities of a successful intervention [93]. Teamwork is based on the organization's formal rules and includes informal norms that affect relationships and behaviour within the group. Organizational norms and rules are usually described in policies and procedures. Formal rules describe explicitly the behavioral expectations concerning the various processes and activities, daily procedures and routines, explaining the behavioral principles within the organization. Organizational norms and rules are usually easy to detect because they are explicit. Besides the formal norms and rules, there are also informal or so-called unwritten norms and rules, which have an even bigger impact on work organization. These are silent, informal rules and agreements that govern the behaviour of the teams. These norms are not stored in a visible place, but they have a strong impact on the behaviour and communication of team members. Team members are usually aware of the implicit standards, they need to follow in their work and, if necessary, can describe the existing standards within an organization or team [94–96].

Some studies empirically link conflict management and efficacy research with the literature on inter-organizational teams in general. Empowered organizational teams can be effective, but they have a great many issues and conflicts to manage [97, 98]. The team members' ability to manage their conflicts can affect overall team performance. A managing conflict for mutual benefit was found to predict how much the team members believed they could handle various conflicts and also their supervisor's conclusions about their team's effectiveness [99].

Relationships are proposed to mediate between positive conflict values and constructive outcomes [100, 101]. There is the impact of conflict values on relationships in terms of competitive interaction and resource interdependence [89]. As values express in behaviour and so do relations, those two constructs are strongly connected and both impact effectiveness of the activities—if the values are matching and relationships are positive, success can be expected. Whether the conflict is behavioral activity, therefore values and relationships reflect

on conflict behaviour. So, if the conflict is effectively solved, positive results are more likely. However, the relationships have an impact on the outcomes affecting the values of the conflicts. The approach used here is in line with the notion that values have an effect through interaction [102]. Hewlin explained conflicts that arise due to differences in personal and organizational values may cause organizational members to suppress their own values and pretend to embrace organizational values [103].

5. Conclusions

Values are defined as our preferences and priorities that reflect what is important to us [104–106]. Value is the abstract concept, but it is important for everybody—values allow us to show our belief how to live our lives. Collins and Chippendale believe that we get an overview of people's worldviews, knowing what values are important to them and which values drive their behaviour [107]. Different authors agree that values drive our behaviour regardless of whether or not we are aware of them [105, 108, 109]. It is believed that creating common values helps build a cohesive culture built on trust and a sense of community [110, 111].

Conflict exists when people are different, they have different ideas about what is important, as well as different answers to something that requires resolution. Conflict can be constructive or destructive, depending on how it is managed. Constructive conflicts are connected to organization's development. Failure tolerance and giving the employee an opportunity to learn from mistakes has been found to be a building block of organizational innovativeness [112]. Also, constructive conflict handling and free expression of opinions are positively related to innovation [113–115]. Perkins suggested the components necessary for collaboration create productive conflict, and the absence of the components contribute to unproductive conflict [116]. Other authors agreed that effective conflict management occurs when interactions occur, which produce productive conflict [53, 54]. Every well-managed conflict will bring gain in the future—trust between people will grow, people's growth mindset is going to improve, they believe in their potential and they see the potential also in their team and organization and they are more ready to invest into their work and organization. The sense of humankind's ability and unity will support people being more willing to contribute to the activities of their groups and organizations. Success unites the group and the individuals [66] and therefore creates conditions for recognition of organizational and shared values. Conflict management strategies show vividly how employees are treated in the organization, and thereby, it is possible to demonstrate the values that the organization exploits [36].

Whether values guide our decisions and behavioral choices, therefore our values have a clear effect on conflicts we deal with. If we determine in advance what are our shared values on what we base, the conflicts possibility can be diminished. It may also be possible that differences in perception are influenced by what values people have and what values they consider important [54]. To achieve a state of increasing progression and constant evolution, several authors claim that people must create alignment where values are shared, people work together toward common outcomes and they have a deep desire to contribute to the organization—values alignment fosters collaboration and can be considered a proactive strategy for conflict management [54].

Although values and conflicts are quite popular research topics, there is still plenty of work to do for linking those two phenomena. We do not have now enough evidence to confirm how exactly the different forms and levels of organizational values are connected or how they impact different forms and levels of organizational conflicts and oppositely. According to trends in economy and workplaces, a one more important phenomenon needs to be researched from the view of organizational conflicts and values—it is organizational diversity. Workplace diversity is increasing trend and it includes value diversity [117], which can be distinguished into different kinds of values, such as business, individual, corporate or organizational values [118].

In the case of constructive conflicts, it can be seen that while solving the conflict all parties' interests, needs and values have been taken into consideration. Conflicts are an important source for a new solution and they should not be suppressed, even though they are emotionally difficult. Bringing conflicts upfront assumes trust, and trust is also at the core of employee participation [114]. According to Schein, a "set of values that become embodied in an organizational philosophy can serve as a guiding principle toward managing conflicts or difficult events" [119]. It has been established that parties are generally more willing to move further from their initial position and become more cooperative when they have talked about value orientations before job negotiations [120].

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Organizational Trust as a Conflict Management Tool in Contemporary Work Organizations

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Additional information is available at the end of the chapter

Abstract

Conflict between management and employees or among employees is an irresistible phenomenon in contemporary work organizations. Evidences gathered from past and present studies revealed that a lot of conflict situations have occurred in work organizations which have significantly impacted organizational performance and its survival in recent times. Consequently, several conventional strategies and techniques have been deployed to constructively manage conflict situation in work organization however, realities show that managing conflict in work organizations remain a challenge to managers in today's world of work. This is partly due to the fact that conflict arises from different sources; hence it is inimical to subscribes to the idea of one-size-fit-all approach to management of conflict. Based on this momentum, this chapter examines organizational trust as a conflict management tool in contemporary work organizations using an explanatory design and a basic review of literature. The chapter therefore explains the concept of organizational conflict vis-a vis organizational trust within the context of work organization. It also discusses factors causing conflict situation. It examines the importance of trust and factors responsible for the development of trust in organizations. The chapter further examines some theories of trust and also develops a framework for dealing with conflict in work organization.

Keywords: conflict, development, management, organizational performance, trust

1. Introduction

Until recently, organizational trust has been one of the under-researched concepts in scholarly investigations [1–3]. The primary reasons for this underdevelopment has noted by [1] is lack of unified definition of trust, conceptual clarity between risk and trust, trust and its precursor outcomes on one hand and the challenge of analytical vagueness and insufficient information on the trust party and the party to be trusted on the other hand. With all these conceptual issues

woven around the term, available evidence shows that the field of organizational trust is still very fallow and it requires extensive exploration for its essentiality in fostering productive work performance and competiveness in the private and public organizations [4]. It is also very essential factor for promoting cooperative behavior among employees [5], sales and profits margins as well as employee retention in organizations [6]. Similarly, organizational trust has been recognized to be a crucial component of conflict management process in work organizations [7, 8]. This is essential because no organization can achieve cooperation between management and employees or among employees or even succeed without the availability of trust.

With this in mind, it is important to simulate interests in promoting the knowledge and understanding of the use of organizational trust as a conflict management tool in contemporary work organizations. This chapter therefore examines the concept of conflict situation within the context of work relations. It discusses the concept of organizational trust and the determinant factors for building trust in an organization. The chapter also explains the Lewicki and Bunker model of interpersonal trust to show the stages of organizational trust. It examines some theoretical perspectives of trust in an organization. The chapter further develops an Organizational Trust and Conflict Management Framework (OTCMF) for effective conflict management in work organizations.

2. What is organizational conflict?

The term organizational conflict can be defined as any phenomenon that depicts disagreement within or among individuals or group working together in an organization over means or ends; or in an attempt to establish their views in preference to others. It can also be referred to as a feeling of displeasure or misunderstanding between people at workplace which stemmed from uncontrolled workplace exigencies such as unclearly defined roles, assignments or tasks, organizational structure, sharing of resources, role dependency, communication gap, poor remuneration or compensation scheme, job insecurity, differences in managerial styles, organizational change and so on. Flowing from the mainstream of definition of organizational conflict, three distinct views have emerged. These include; traditional view, human relation view and interactionist view. The traditional view considers organizational conflict as a negative occurrence, violence or destruction that has devastating impact on organizational performance and effectiveness. The human relation view perceives organizational conflict as a natural event that may enhance organization performance and effectiveness; if it is effectively managed. While the interactionist view believes that organizational conflict is not only positive or negative force but is an essential part of organizational life-circle.

Regardless of the view, that organizational conflict is perceived, the way it is managed determines the effect it will have on an organization. This suggests that organizational conflict should be effectively and efficiently managed. For instance, see [9] in their study revealed that the effects of organizational conflict can either be negative or positive. It can be negative in terms of psychological responses (i.e. inattentiveness to other things, lack of interest in work, job dissatisfaction, work anxiety, frustration and alienation from other), behavioral responses

(i.e. excessive smoking, alcoholism, aggression towards others, work sabotage, decrease communication, resisting influence attempts) and physiological responses (health and physical challenges). Also, it can be positive in terms of personal initiative, innovation, motivation, shared opinions, effective communication and understanding of work place problems.

Moreover, a better understanding of the causes of organizational conflict will help in adopting suitable strategies or mechanisms to resolve it. Some researchers such as [10–14] have mostly classified the causes of organizational conflict under three categories which include; task conflict, interpersonal conflict and procedural conflict. Task conflict occurs when an employee is unclear about what is expected of him/her to perform, or how to perform the assigned task, task interdependent and/or when the task given to employees working in a group is not clearly defined by the supervisor. Interpersonal conflict arises when there is proliferation of ideas, or interests between individuals working together, scarce resources, lack of corporation, personality clash or interference over whom to be the first to complete a specific task. While, procedural conflict occurs as a result of bureaucratic bottle neck or disagreement over the procedures to be followed in achieving the set organizational targets or goals. In otherwise, management of organizational conflict cannot be handled with the impression of one-size-fit-all approach.

In fact, within the spectrum of managing organizational conflict, there are difference approaches that have been developed by management experts such as; structural approach (i.e. change procedures of work, organization of work systems, physical layout or add more resources to resolve the disagreement between the conflicting parties), interpersonal approach (i.e. withdrawal, third-party intervention, smoothing, win-lose method, neutrality, bargaining or problem solving method) in handling workplace disagreements and disputes [15–18]. Apart from these approaches, organizational trust has been identified as a conflict resolution technique. This is partly to the fact that when there is conflict in an organization, there will be lack of cooperation, dissatisfaction, dishonestly and counter-productive behaviors which will invariably hinder the process of resolving the conflict for improve organizational behavior and performance. Thus, organizational trust is seen as a tool for conflict management in work organizations.

3. What is organizational trust?

Trust has been variously defined by several authors in the field of management and organizational behavior. According to [1], trust is the willingness of one party (let say party A) to be susceptible to the action of party B based on the expectation that party B will carry out important action that will benefit both parties irrespective of the ability of party A to control or coordinate the action of party B. To put it differently, trust can be defined as a psychological condition in which one party holds a positive attitude towards the other party about their relationships and/or the expectation of the outcomes of such relationships [19, 20]; leadership style, work activities as well as organization itself [8]. Trust can therefore be examined on personal, social, economic and organizational levels. Within organizational level, organizational trust can be described as a situation where employees and employers operate with strong feeling, confidence or belief that they are one-party and that none of them will exploit the vulnerabilities or

weaknesses of the other in meeting the organizational goals or to work against each other inter-ests in the workplace [21]. It can be said that the presence of trust in organization raises the bar of cooperative behavior between employees and employers [5]; or co-workers which invariably reduces differences over the distribution and utilization of scare resources in the organization. Hence, organizational trust is an essential tool for managing organizational conflict.

3.1. The importance of trust in an organization

Organizational trust is an essential factor of all relationships (formal and informal) that exist within an organization [22]. It is an indispensable component that sustains and defines the nature of employee-employer relationships and organizational effectiveness [23, 24]. It also has significant effects on communication, work behaviors, job performance, satisfaction, orga-nizational commitment and strategy for solving organizational issues [24, 25]. Moreover, trust in an organization fastens friendships [26]; eases bargaining and negotiation process [27]; decreases transaction costs in inter firm exchanges [28]; and even eliminates international political conflicts [29]. It enables employee's retention, collaboration, and exchange of innova-tion as well as lessening of risk factors involve in taking an action or working cooperatively in achieving organizational goal [23, 30, 31]. For instance, empirical studies conducted on the importance of trust showed that when people find themselves in an atmosphere that trust is present, they feel secure, share their ideas and express their feelings with others in the process of working together for a common goal [24, 30, 31]. More so, organizational trust promotes employees' participation, coordination, delegation and supervision of responsibility in an organization. It breeds employees' transparency and accountability to the management of an organization. Finally, it facilitates maintenance of good organizational culture, interpersonal relationship and harmonious co-existence in an organization.

3.2. Factors responsible for the development of organizational trust in an organization

According to [31], managers or employers need to build trust in every organization but most employers or managers in today's organizations are faced with the challenge of how to develop trust between employees and employers or among employees [31]. In this regard, an attempt is made here to identify some factors that can bring about trust in an organization. These factors are:

1. **Shared Values**: Organizational trust can be achieved by implementing policies and prac-tices that increases competitiveness of an organization while simultaneously advancing the economic and social condition in the communities in which it operates.

2. **Openness**: The extent to which people who works in organization share accurate, reliable, and complete information in line with what, how, when and where operations or work activities are taken places or to be performed promote trust among the employees and management of the organization.

3. **Autonomy**: The degree to which individual employee is allowed to carry out his/her duties efficiently and effectively without any form of interference from within and outside the organization. This contributes to the level of trust in the organization.

4. **Organizational Culture**: The pattern of shared values, norms, behavior and beliefs that employees adopted as a means of fulfilling work demands and expectations. This significantly determines the nature of trust in an organization.

5. **Organizational Justice**: The rate at which employees are fairly treated by the management on issues relating to the terms and working conditions (safety, compensation, promotion and welfare incentives) in an organization, This facilitate mutual understanding and employee's positive view about the organization.

6. **Organizational Loyalty**: The level of consistency and reliability in managerial style, participatory decision making and execution of collective agreement among the employees and the management will enhance mutual understanding in an organization.

7. **Job Satisfaction**: The amount of happiness, pleasure and contentment which employees derived from doing their jobs or working with others within the organizational climate or environment contributes to the level of trust in an organization.

3.3. Clarification of concepts concerning organizational trust

A brief description or meaning of some terms that are used in the present discourse is necessary at this point for proper understanding of different aspects of organizational trust.

Ability to keep promises: This is the willingness of a party to fulfill certain action, agreement, or promises in order to foster cordial relationship with other party [32].

Benevolence: This is the extent to which a party is believed to want to do good to the other party due to some specific attachments and not because of egocentric profit motive [33].

Cooperation: This is a process whereby a party work in support of the other party based on the thinking or probability that the corroboration of both parties will produce expected or desirable benefits [32].

Confidence: This is a kind of believe in the words and actions of an individual or a group assign to perform certain task or action in favor of other group or individuals [33].

Integrity: This is the perception that both parties (trustor and trustee) adheres to a set of principles that are mutually agreed upon or finds acceptable [33].

Predictability: This is a situation in which party estimate the behavior or action of the other party in order to reduce uncertainty that may arise from the behavior [32].

Risk taking: This is the willingness of a party to be vulnerable or assume risk situation based on the relationship with other party [32, 33].

To further expand our understanding of the development of trust in an organization, we will examine Lewicki and Bunker Model of Interpersonal Trust.

3.4. The Lewicki and Bunker model of interpersonal trust

In order to further understand the level of trust in an organization, [33] model of interpersonal was examined in this section. Lewicki & Bunker's model of interpersonal trust advanced the

view that trust is sequentially achieved at three different levels where, once trust has been established at one level, it moves to the next level [32]. According to [33], these three levels of trust are calculus-based; knowledge-based; and identification-based. At the calculus-based level, parties fear punishment, but also anticipate the rewards from preserving trust; in other words, trust is based on the calculation of costs and benefits. In this stage, if the benefits are more than the costs then the parties tend to show trust to each other. At the knowledge-based level, trust develops over time from permanent contact or interaction between two or more parties. This second level of trust is attained between two or more parties when there is sufficient information about each party's behavior. Hence, knowledge-based trust depends on acceptance of each party behavior and ability to predict behavior of each other rather than deterrence [33]. At the identification-based level, trust is 'inherent on identification with each other's desires and intentions' [33]. At this stage, parties know each other so well and they may anticipate the reactions of each other; thus, they can act for the one another (**Figure 1**).

Arising from the illustration above, it can be observed that each stage of trust depends on one another and that the higher stage depicts an expectation that a trust relationship will continue in the future. Also, each stage triggers the next stage through action characteristically of its nature. For instance, calculus-based trust is driven by the need to gather information about the other party in order to make a realistic decision on how to act or relate with each other. This information afterwards serves as the foundation for knowledge-based trust. When knowledge based trust is eventually construct parties continuously strive to learn about each other behavior, intention and motivation. As this learning process increases, so does the identification of one party with the other party advances. More so, when identification with each other becomes the source of relationship between two or more parties, transition from knowledge-based trust to identification-based trust has occurred.
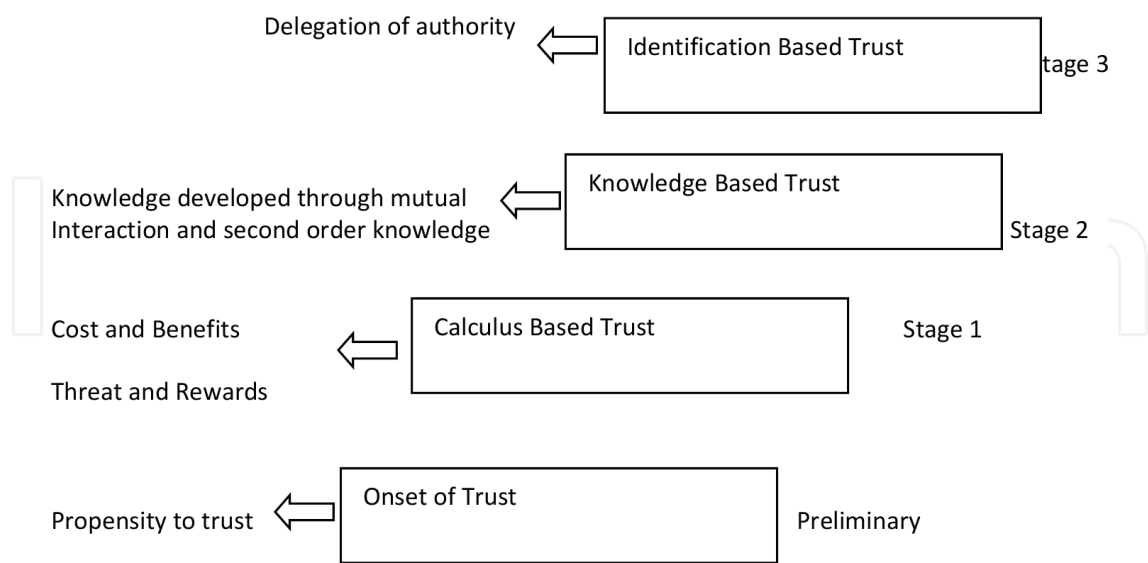
Source: Adapted from Lewicki and Bunker (1996 and 2006).

Figure 1. Stages of trust development in an organization adapted from Lewicki and Bunker [32] and Lewicki et al. [3] with modification.

Furthermore, the model of interpersonal trust believes that the transition from one stage to another is a reflection of paradigm shift. For example, the transition from knowledge-based trust to identification-based trust is activated by a shift 'from extending one's knowledge about the other to a more personal identification with the other' [32]. This explanation suggests that in order to build trust in a potential partner, one must first establish his/her trustworthiness (and, in the case of organizations, the trustworthiness of translates from superiors to single subordinate and, at the end, of the whole workers). Satisfying this condition is very important, however, it is not a complete way of securing or granting one's trust. Basically, in work organizations trust must be built on a chain of personal characteristics (such as loyalty, predictability, accessibility, availability, integrity, consistency of behavior, openness, competence, fairness, benevolence, the ability to keep promises) of the other parties [1, 34].

Within work relations, managers or superior staffs perform significant role in determining the level of trust and the precise behaviors within given departments. This essentially so because managers or superior staffs begin most vertical exchanges and the degree of trust or mistrust that is perceived in their actions could be reciprocated by the subordinates [35]. More so, workplace compensation and control systems which are key determinants of trust or mistrust within departments or organization as a whole are designed by the managers. As fact, evidence abound that managers control the stream of certain types of information and the chances to disseminate or not to disseminate information in certain ways within the organization [36, 37]. Also, the arrangements of strategy, structure, and internal mechanisms to form the overall operating logic and resource allocation and governance tools of the organization are primarily designed by managers [38]. All of these conditions invariable influence the level of trust between or across organizational levels or units.

4. Theoretical perspectives

Literature has shown that there are numerous theoretical approaches on organizational trust [32, 39, 40]. Out of the theories that have been developed by scholars to facilitate better understanding of organizational trust, three main approaches (contract failure theory in economics, the concept of trust in cognitive sociology, and the study of social capital) are paraphrased in this section.

4.1. Contract failure perspective of organizational trust

Among the most influential theoretical perspectives for understanding organizational trust is the economic theory of contract failure (TCF). Theory of contract failure was strategically built on the assumption that trust is very important in satisfying contractual obligations by the actors in work organizations. TCF shares the same theoretical soundness with rational choice by emphasizing the fact that employees and employers are actors who are motivated by their own self-interests, and the benefits they are likely to derive from working together for the production of goods and services [41, 42]. The working together of these actors contributes to the growth of market economies and reduction of societal uncertainty. TCF sees trust as the engine that sustains harmonious relationship, team work and partnership among the actors (employees and

employers) in work relations [43]. Sustaining teamwork, collaboration and harmonious relationship in work relations inevitably reduce workplace disputes and counter-productive behaviors which significantly lead to successful attainment of organizational goals and objectives. On the other hand, TCF identifies that in a situation where there is a breach of contract between the actors of work organization, there is likely to be disagreement, distrust and counter-productive behavior that may degenerates to conflict situation between the actors [43]. Thus, conflict situation occur in work organization due to contract failure and lack of trust between the actors.

4.2. Cognitive sociology perspective of organizational trust

The cognitive sociology perspective of organizational trust takes a different dimension from that of economic theory of contract failure. Cognitive sociology perspective (CSP) focuses on social and psychological perspectives of trust. CSP believes that trust is socially constructed and is fundamentally built on the level of motivation or kind of behavior display by actors in work relations or organizations. It is a theory that assumes that workplace actors (employees and employers) practically interact with, delegate responsibilities to or rely on the behavior of one another so as to achieve predetermined goals. More so, CSP postulates that trust emanates from constant and predictable human behavior, social environment, and social situations. The main tenets of CSP are as follows; in work organizations, actors depend on trust for necessary interaction, delegation and cooperation. As a matter of necessity, actors take for granted the actions of others and rely on normative infrastructures in performing the contractual duties or organizational activities. The reliance on normative infrastructures by the actors as a tool in dealing with each other stimulates organizational trust [44]). As such, [45] opined that there are three types of trusts which include *Characteristic-based trust* (this is trust tied to a person, depending on socio-demographic characteristics), *process-based trust* (this is a trust tied to previous or recent exchanges in reputation or gift exchanges between individuals), and *institutionally-based trust* (this is a trust based on institutions such as certifications, form characteristics, or legal constraints). Furthermore, CSP premised that organizational trust is a functional substitute to rational calculation that actors may adopt in the process of lessening social complexity. This is so because studies have shown that when there is trust in an organization, social interactions and activities occur on a simple and confident basis but in the absence of organizational trust, the fear of future contingency or social complexity influence work relations and behavior of actors in meeting organizational goal [46–49]. Organizational trust implies the social properties (roles, rules and relationships) of an organization [50]. The properties which make it possible for cooperative behavior to exist among workplace actors, across varying cadres, time and space which lend them systemic form [47]. So trust exist in work organization through cognitive process that imbibe in workplace actors with the capacity to do what ordinarily they would not have been willing to do in achieving organizational goal.

4.3. Social capital perspective of organizational trust

Social capital perspective (SCP) of organizational trust was derived from the work of Pieere Bourdieu, James Coleman and Robert Putnam [51, 52]. It emphasizes the stimulating combination of sociology and economics insights in understanding social relationships in work organization. The term social capital has been accorded with diverse definitions by authors

yet majority of the definitions described the term as networks of social relationships that bind people and organizations together for achieving desirable socio-economic benefits. These networks of social relationships are realized from constant social interaction to attain short and long term socio-economic benefits over time. For instance, Lyda Hanifan sees social capital as tangible assets such as goodwill, fellowship, sympathy, and social intercourse among the individuals and families who make up a social unit. In another view, social capital is described as the links, shared values and understandings that enable individuals and groups in a particular social setting to trust each other and so work together for productive benefits. Based on this premises, social capital theorists see trust as a very important part of social capital. For example, [53] argues that a system of mutual trust is an important form of social capital on which future obligations and expectations may be based. Also, [54] regards trust as a source of social capital that sustains economic dynamism and governmental performance while [55] (1998) perceives trust as a key facet in the relational dimension of social capital. Social capital perspective therefore emphasized the importance of trust in ensuring harmonious relationships between workplace actors. It also postulates that organizations that operate with trust, shared norms and cooperation instead of hierarchy or hierarchically defined carrots and sticks, formal monitoring and economic incentives, encourage the adoption and effectiveness of flexible or high-performance work practices [56]. This postulation is based on the fact that trust reinforce norms of reciprocity, reduce the volume of energy lost to doubt, unresolved issues, and associated uncertainty anxiety that otherwise often results in blame, gossip, resentment, frustration and conflict. It also reduces the time spent in the process of collective agreement enforcement and compliance in work organizations [55].

5. Organizational trust and organizational conflict: a framework of consequential relationship

Based on the evidences gathered from empirical studies conducted by scholars on organizational conflict and its management revealed that there is a connection between organizational trust and organizational conflict. This connection can best be described as consequential. It is consequential because lack or low level of trust among employees and employer can stimulate mixed feelings or lack of cooperation in an organization which may result in organizational conflict. For example, it is widely assumed that relationship between two or more individuals is sustained based on trust. This assumption is equally applicable to workplace relationships. That is, when there is lack or low level of trust in an organization there is disagreement and conflict situation in the organization [7, 8]. This is so because when there is lack of trust, there is lack of corporation and when there is absence of cooperation between employees and management, there will be conflict in the organization. While on the other hand, when there is trust or high level of trust in an organization; employees are more likely to avoid conflict situation [7, 8] by ensuring that they give the counterpart the benefit of doubt on issues that may generate conflict rather than jumping to conclusions [8]. To further expatiate on the nexus between organizational trust and organizational conflict, the diagram below is presented (**Figure 2**).
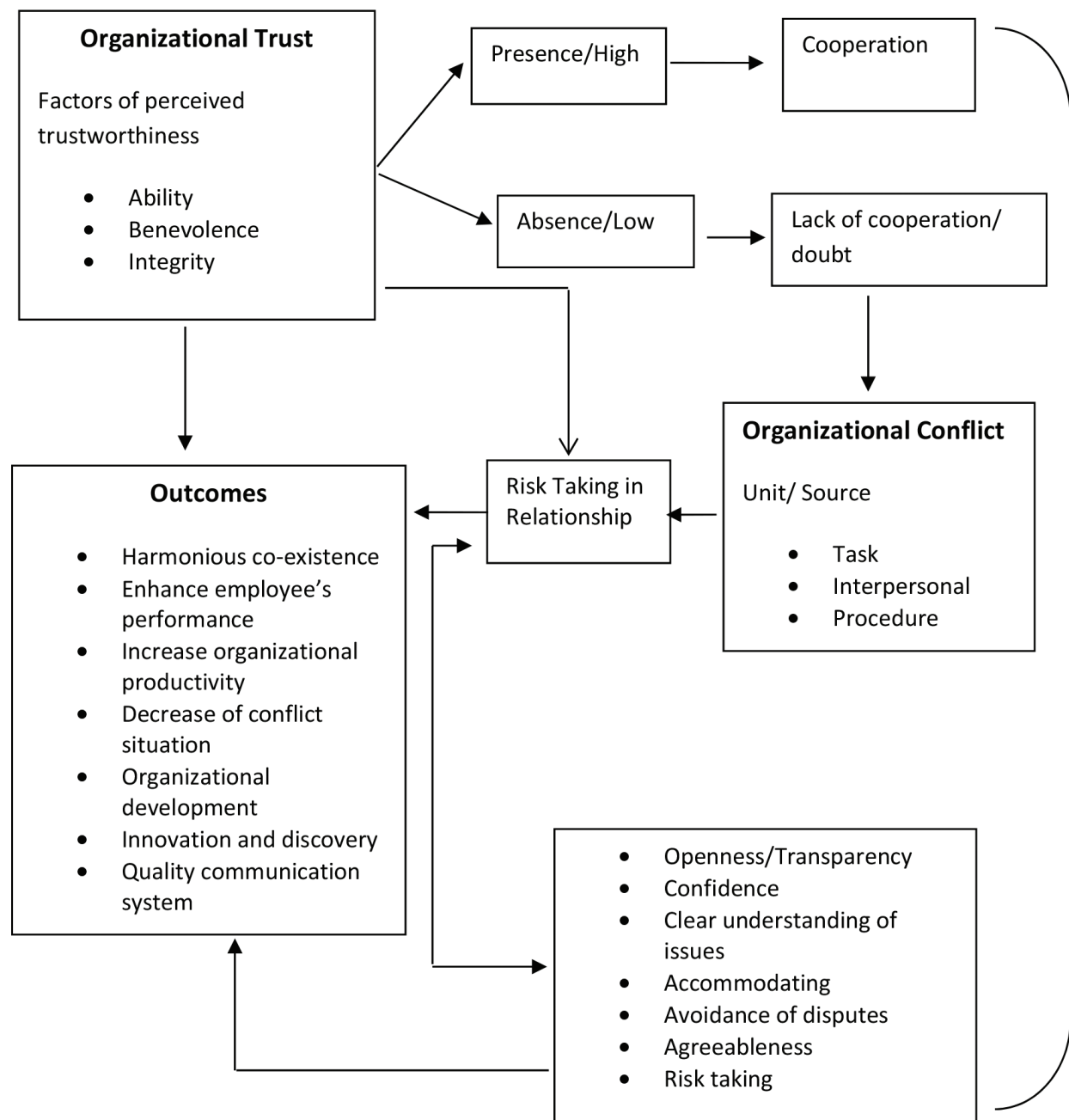
Figure 2. Framework on the nexus between organizational trust and organizational conflict management.

Furthermore, lack of cooperation will significantly lead to disagreement or misunderstanding over task performance which may result in inter-personality clashes or power struggle among the employees and management that may escalate to organizational conflict. However, one outstanding mechanism for neutralizing conflict in an organization is through organizational trust. This is essentially so because organizational trust produces cooperation, openness, transparency, accuracy, clarity of issues, avoidance of disputes, agreeableness and risk taking in an organization. To buttress this assertion, [57, 58] argued that organizational trust transmits to openness and accuracy in communication and employees who trust each other know that their colleagues will provide them accurate, reliable, and complete information. Consequently, employees who trust one another are more willing to incur the risk of

addressing potential issues in order to resolve conflicts in the open before negative effects emerge [39]. Moreover, if employees and management trust one another, they would be more likely to accept open agreements and less likely to infer hidden agendas when conflict occur in the organization [58]. This condition will create conducive and favorable atmosphere for thrashing out differences and misunderstanding between the management and the employees. This assumption dramatically shows that when parties (management and employees) to a conflict do not have trust in one another, they are expose to interpreting uncertain behaviors and actions in others negatively and likely to infer that relationship conflict is a possible reason for the behaviors [59]. To this end, organizational trust is a critical factor in resolving conflict situation in work organization. Even when conflict arises between the employees and/or management, organizational trust will help the conflicting parties to know the level of trust existing between them (employees and management), the intention to manage the conflict productively and the willingness to keep agreement with good faith in order to achieve harmonious co-existence.

6. Conclusion

This chapter dwelled on analysis of organizational trust as a conflict management tool in contemporary work organizations from various perspectives. The introduction of the chapter was followed by discussions of substantive issues such as meaning of organizational conflict, organizational trust, importance of trust and factors responsible for the development of trust in organization. Some theories of trust were also examined. Moreover, the chapter also developed a framework for dealing with conflict in work organization. The issue addressed in this chapter suggests the role of trust in managing organizational conflict. Virtually all the situations which tend to spring up disagreement between employees and employers can be mitigated when there is positive organizational trust. As such, employees and management in various organizations must learn to cooperate with each other based on trust as a strategic approach to management of conflict for collective benefits of all. The presence of high level of trust and cooperation between employees and employers will encourage openness, transparency, and confidence, better understanding of workplace issues, friendliness, and risk taking which are very essential tools for achieving harmonious relationship in work organization. In conclusion, it is suggested that a study in the area of intra-group conflict management and its impact on organizational performance in medium and large organizations should be carried out by future researchers in order to enrich the body of knowledge on the management of conflict in contemporary work organizations.

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Conflicts and Social Capital in Organizations

Batia Ben-Hador

Additional information is available at the end of the chapter

Abstract

Social capital (SC) is a comprehensive concept, which refers to benefits derived from social interaction. In organizations, SC can be divided into 3 levels: personal SC, which refers to the benefits the individual receives from personal social connections, inside and outside the organization; intraorganizational SC, which refers to the benefits derived from good relationships within organizational units, and the organization as a whole; and external SC, which refers to the profits derived from interfaces of role holders, such as the CEO, with stakeholders. Organizational SC and conflicts in an organization are ostensibly very different in nature, whereas SC is an intangible that fits the positive psychology domain; conflicts are usually unwanted occurrences in organizations. Scholars noted that conflicts affect employee's SC and usually reduce it, but the opposite was hardly investigated. This chapter examines how and why the conversion of social relationships into capital can result in conflicts at all organizational SC levels. To do this, the interface between the levels of SC in organizations and types of conflicts was examined. In conclusion, developing "C-type" conflicts, which are desirable conflicts, and avoiding "A-type" conflicts, which are destructive conflicts, depend on a good match between the different organizational SC levels.

Keywords: social capital, organizational conflicts, gossip, A-type conflict, C-type conflict

1. Introduction

This chapter aims to provide a conceptual framework of conflicts and social capital (SC) in organizations. These two variables are multifaceted theoretical concepts; conflicts and their positive and negative consequences have been studied intensively, while conflicts are usually categorized as negative behavior and as one of the "dark side" constructs such as aggression, incivility, deviance and bullying [1], but most of the conflict researchers also mention

their positive consequences such as promoting subjects and finding solutions [2]. De Dreu and Gelfand [1] divided conflict management in organizations into three levels such as the individual level, the group level, and the organizational level. They claimed that each level of conflict can result in either harming or improving the quality of performance and satisfaction in organizations. The outcome (positive or negative) depends on the context of the conflict. The argument of this chapter is that an important contextual variable is SC. In this chapter, the author introduces the effect of social capital (SC) in various organizational levels and discusses its possible influence on organizational conflicts.

SC has many definitions and segmentations; it is considered a "positive psychology" variable [3] because it refers to the benefits derived from social interactions [4, 5]. The interface between organizational conflicts and SC is interesting because of their contrasting nature. Moreover, SC can lead to conflicts, and conflicts can lead to SC in every organizational level.

In order to make the discussion about conflicts simpler and clearer, the author prefers to use the segmentation of "A-type" and "C-type" conflicts, according to Amason et al. [6] and tries to examine their compound relationship with different levels of SC in organizations, that is, personal, intraorganizational, and external SC.

2. Conflicts in organizations

The debate whether the organizational conflict is positive or negative is an old one, scholars agree that conflicts are a natural part of the organizational life, and that the context and the management of the conflict will determine whether the conflict will be beneficial or harmful.

In their classical paper, Amason et al. [6] distinguished between two types of conflicts among teams in organizations: "C-type" and "A-type."

"C-type conflict" is a cognitive conflict that reflects disagreements among members of a team. This kind of conflict focuses on substantive, issue-related differences of opinion. The researchers claim that "C-type" conflict leads to better decisions and increased commitment, cohesiveness, empathy, and understanding among the team members.

"A-type conflict" is an affective conflict that contains disagreements over personalized, individually oriented matters that are largely detrimental to team performance. The roots of this type of conflict are very often tacit; therefore, it is difficult to manage or to solve it. According to Amason et al. [6], this type of conflict often provokes animosity among team members and may lead to poor decision quality, reduced progress and decreased commitment, cohesiveness, and empathy among the team members.

Amason et al.'s [6] conflict type resembles Jehn's [2] conflict dimensions: relationship conflict and task conflict. Relationship conflicts are disagreements regarding personal issues that are not related to the group's task such as personality clashes and annoying behavior of other group members. Task conflicts are disagreements among group members about opinions, ideas, and suggestions regarding the group's task [16]. The sum of these two dimensions is an

indicator of overall conflict. Considering the similarity of Amason et al.'s [6] types and Jehn's [7, 8] dimensions, the relationship conflict can be defined as an "A-type" conflict, and the task conflict can be defined as a "C-type" conflict.

Avgar [9, 10] claimed that task conflict, that is, "C-type" conflict, amplifies the social capital in organizations, and relationship conflict, that is, "A-type" conflict reduces it. However, this statement is general because SC is a complex concept, and there are three levels of SC in organizations, and each level can influence conflicts and be affected by conflicts differently. The next section introduces the concept of SC and its levels in organizations.

3. Social capital (SC)

Social capital (SC) is a comprehensive concept, which refers to the benefits derived from interactions between people. The concept of SC became widespread following Jane Jacobs' study in 1961. In her book: "The Death and Life of Great American Cities," Jacobs [10] argued that interpersonal relations that are based on trust, cooperation, common goals, and common activities can lead to better quality of life in urban neighborhoods, and eventually will raise the property values.

Leaning toward this observation, Coleman [11] looked at the concept of "SC" as a bridge between sociology [12, 13] and economics [14], that is, social connections that lead to a measurable intangible asset.

There are many definitions of SC, Putnam [4], for example, claimed that SC refers to features of social organization such as trust, norms, and networks. SC is a relational resource [11], and its function appears to be related to enabling some societal good within the boundary of a specific social level. Because SC is a broad concept, researchers tried to make it more accurate and refine it by distinguishing between its different levels [15].

Halpern [16] distinguished between three levels of SC in the upbringing and educational research: SC at the microlevel—the family level, SC at the macrolevel—state level, and a level that is in-between—the community level. Similar to Halpern's [16] typology, the SC in organizations is also divided into three levels such as personal SC, intraorganizational SC, and the macro level—external SC [15].

3.1. Personal SC

The first level of SC refers to the individual's profit from his/her positioning in social networks [17] inside and outside of the organization. Stofer et al. [18] defined personal SC as the set of resources that individuals bring to the performance of their tasks through their own personal relations.

Personal SC is measured by parameters such as the number of social relationships the individual maintains in the organization and their hierarchical level, the number of social events to which he/she is invited, the degree to which he/she attends these events, and the individual's involvement in various activities in the organization, est. [19, 20].

The concept of personal SC leans on Granovetter's network theory [21]. The main difference between the position of an actor in the network and personal SC is the emphasis on the outcomes—the "capital," which the individual wins due to his/her position in the social network.

Shipley and Berry [22] proved that individuals who have high levels of personal SC receive more social benefits than the individuals who have low levels of personal SC. Some of these benefits in organizations are as follows: the status of the individual in the organization [23] receiving information and knowledge, amassing personal power, finding jobs and promotion—both within and between organizations [20, 24], and even earning higher salary [25].

3.2. Intraorganizational SC

The middle level intraorganizational SC [26] is derived from interactions within the groups, between them, and up to interactions in the whole organization [27, 28]; therefore, it can be conceptualized as a public good rather than a private good [29]. It entails the premise of mutual objectives [27], trust [30] reciprocity [31], respect and appreciation [32], sharing of information and knowledge [33], and common norms [34].

The benefits of intraorganizational SC are better cooperation inside the organization, better employee performance [35, 36], and even better health, physical [37, 38] and mental [39] for members of units and organizations with high intraorganizational SC.

3.3. External SC

The upper level of SC is created by the connections of leaders [40] and agents from the organizations with external interfaces such as competitors, investors, external directors, customers, and suppliers.

The benefits from external SC are access to key external providers of resources [41], reputation [42], investments [43], productivity [44], and so on.

Zhao and Roper [45] claimed that external SC is a type of personal SC. This is partly true, but the use of the SC must be taken into consideration. If an organizational position holder uses the SC for his/her own benefit, it is clearly personal SC, but if the use is for the organizations' good, this is an external SC. This distinction may seem a bit simplistic because the SC types are interdependent, but usually, use of SC by a representative of the organization [46] for the good of the organization will be categorized as external SC.

4. SC and conflicts

According to many definitions (such as 1), SC is a unifying factor, and it aids in bridging conflicts. Varshney [47] supported this by claiming that SC is a peace-building mechanism. Argyle and Furnham [48] suggested that conflict may be more accepted in strong relationships. On the other hand, conflicts are not pleasant and may lead to negative consequences, and to drastic changes in social relations between people, and therefore can undermine existing SC [49].

However, as Aghajanian [50] explained, all forms of social capital cannot be incorporated under one heading, rather there need to be a separation and narrowing down the measurements to achieve meaningful results. For example, individuals experience conflict differently than groups, and thus, their levels of social capital are likely to change differently. Therefore, we need to inspect the different relationship between every level of SC and conflicts in organizations.

4.1. Personal SC and conflicts

A person with a lot of personal SC is probably a person with many friends, and indeed, in organizations, it is possible that a high portion of personal SC results due to expert positioning outside or inside the organizations or formal power (such as managerial or high rank positioning), but the social component is very important in amassing personal SC. Usually, a person with many friends has the practical knowledge of how not to get involved in harmful conflicts [51]. Moreover, personal SC may contribute to avoiding conflicts generally. For example, Guo et al. [52] found that the more friends Chinese older adults in the United States have, the less conflicts they have with their spouse and family. On the other hand, affective conflicts ("A-type") are usually personal and based on hurt feelings; therefore, they are being created in the personal SC level. Ibarra et al. [53] thought that this dilemma could be answered only by relating the different SC levels at the same time, they created a 2 × 2 matrix in which they presented the possibilities of the interactions between high and low personal SC and high and low intraorganizational SC. If a person has high personal SC and high intraorganizational SC, then this person's situation is ideal and most of his/her conflicts are "C-type" conflicts. If, however, the person has a low personal SC and low intraorganizational SC, then he/she does not connect with others and has bad relationships with them. If he/she has conflicts, they are "A-type" conflicts because his/her communication with others is bad. If this person has low personal SC and high intraorganizational SC, a rare situation that can be found in totalitarian institutions such as a monastery, then there might be some few "A-type" conflicts, but they would not harm the organization or the groups in it. This perspective was supported by Gilligany et al. [54], who found that people who suffer from conflicts in the personal level tend to have less conflicts in the community level if this community has high SC. The fourth possibility was if this person has high personal SC and low intraorganizational SC, then he/she will have an "A-type" conflicts with people that are not in his/her "in group" or if his/her personal goals contradict the group's goals [55], Ibarra et al. [53] called this kind of conflict "a tragedy of commons"; they claimed that this situation can be especially harmful to the management of the organizations. In **Table 1**, all four combinations are presented.

Personal SC	Intraorganizational SC	
	Low	**High**
High	Tragedy of commons	Network congruence
	"A-type" conflicts	"C-type" conflicts
Low	Atomized market	Total institution
	"A-type" conflicts	Very few conflicts

Table 1. The interactions of personal and intraorganizational SC with conflict type, adapted from Ibarra et al. [53].

4.2. Intraorganizational SC and conflicts

Researchers claim that intraorganizational SC is the most important level for the organizations' success [56, 36]; therefore, this SC level is very vulnerable for "A-type" conflicts, whereas "C-type" conflicts will strengthen this level because good and valuable interactions are essential for success.

There are two main perspectives about good relationships inside groups, focusing on informal relationships [57]. One perspective is that high intraorganizational SC can lead to "free riding" by part of the group members that often creates dissatisfaction and a feeling of being exploited among the other part of the members. A similar opinion is expressed by Willem and Scarbrough [58] who claimed that intraorganizational SC can be instrumental if it reflects power relations and opportunism, and therefore, can lead to "A-type" conflicts. The other perspective claims that the better the informal relationship, the more the trust and transparency are, and therefore, the common type of conflicts in the group will be "C-type" conflict. In this context, gossip is an important means of communication, if the intraorganizational SC is high, it can be used for receiving information and raising disputes on the surface and then lead to "C-type" conflict, but if the intraorganizational SC is instrumental of low, then gossip can be evil and harming and can lead to "A-type" conflicts.

Most of the researchers believe that the second perspective (i.e., that intraorganizational SC is only positive) reflects the reality better [59]; therefore, they believe that high intraorganizational SC leads to "C-type" conflicts. These two perspectives also reflect the tension between the personal and intraorganizational levels of SC. If the person is loyal mostly to himself/herself or to a small group, then the conflicts that will be created are "A-type," and if he/she is more loyal to the group, then the odds for "C-type" conflicts are higher.

Additionally, this level raises the dilemma of conflicts between groups, that is, each group can have a high level of intraorganizational SC, but the groups do not interact well and there are "A-type" conflicts between them or "A-type" conflicts between the subunit and the whole organization [60]. Because of loyalty to the subgroup, its goals can contradict the organization's goals. Therefore, even if there is a "C-type" conflict inside the group, an "A-type" conflict can develop among different groups.

4.3. External SC and conflicts

The interfaces of the organizational agents with entities outside of the organization range from connections with stakeholders to connections with rivals (and it is only natural to have conflicts with them). Nevertheless, conflicts can occur with all the external connections of the organizations. Conflicts with competitors have a survival value [61], and therefore, "C-type" conflicts are essential for developing new ideas and finding creative solutions. A person with high external SC should leverage his/her connections for creating "C-type" conflicts with stakeholders and competitors. Nevertheless, "A-type" conflicts with important interfaces are common [62] because of negative feelings that develop toward outside entities as a result of conflicting interests. Consequently, the external SC should be separated from personal SC

because this level of SC is subjective and emotional, and resentment and anger can develop faster at the personal level. Developing skills of separating personal conflicts from external conflicts are essential for the organizational survival.

5. Conclusion: conflicts and three levels of SC in organizations

As emerges from the review of each of the different SC levels, the development of "C-type" conflicts depends on the interaction between the different SC levels. Ibarra et al.'s [53] SC model leads to the understanding that aptness between personal and intraorganizational SC will form "C-type" conflicts in the team and group levels, and a good match between personal SC and external SC will support "C-type" conflicts in the organizational level.

The distinction between the different levels is not always clear. For example, there is a lot of writing about conflicts in organizations' mergers. Allegedly, mergers are in the external level, but once the merger has taken place, the two sides are supposed to create mutual intra-organizational SC, and even if each of the merging sides has a high intraorganizational SC, it is very hard to build a common intraorganizational SC without having "A-type" conflicts. Nevertheless, even if the personal or external SC is low, high intraorganizational SC will usu-ally lead to "C-type" conflicts. Because employees cherish this kind of SC, it is pleasant and causes good atmosphere [15].

Of course, there are many more parameters influencing conflicts in organizations such as personality, personal situation [63, 64], gender [62], organizational culture and organizational climate, market situation, nationality [65], and so on. Nevertheless, SC is a very important variable in maintaining "C-type" conflicts in organizations. A dispute can easily deteriorate into an "A-type" conflict, but a solid personal, external, and especially, intraorganizational SC will aid in preventing "A-type" conflicts, and if they nevertheless appear, it will be easier to solve them.

Future research can establish and expand these understandings and connect the two variables (SC and conflicts) to organizational performance. The study of "A-type" conflict is challeng-ing because of its tacit nature, as well as the study of the hidden parts of organizations [66]. Consequently, an investigation in qualitative tools such as observations in organizations and employees' interviews is required in addition to a quantitative study about the connections of the variables to the performance. Therefore, a dual methodology of using qualitative and quantitative research tools [67] is needed. Another implication that should be sharpened is the organizational need for matching the SC levels to avoid "A-type" conflicts. The intraor-ganizational level can be controlled by the organization, but it is much more complicated to control the personal SC level. Empowerment of the mid-level managers' role will allow them to better match the SC levels. For example, if a middle manager identifies an employee whose personal SC does not match their intraorganizational SC, the manager can act accordingly (e.g., support the employee and help expand his/her social network) in order to avoid future "A-type" conflicts.

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Complex Adaptive Systems: Adapting and Managing Teams and Team Conflict

John R. Turner, Rose Baker and Mark Morris

Additional information is available at the end of the chapter

Abstract

Complexity comes from dramatic structural changes to organizations and governments such as globalization, global competition, workforce diversity, and continual innovations. Complex adaptive systems (CAS) are organizations that are a composite of the interconnected whole. Teams must manage and operate in emerging ecosystems, understand factors that lead to team effectiveness when managing and facilitating teams and team conflict, and understand the development of conflict models. This chapter provides an overview of teams, CAS, conflict stages, and conflict models. This chapter presents adaptive leadership as one leadership style that offers organizations with the capabilities of reacting to changing environments quickly. Adaptive leadership offers a prescriptive approach for managers and leaders to follow when dealing with organizational conflict while operating in today's complex and global environment.

Keywords: teams, complex adaptive systems, conflict, intergroup conflict, intragroup conflict, conflict management

1. Introduction

"Teams are pervasive in today's world" [1]—and they are needed. Collaboration and teamwork are required, more so today than in the past, to handle today's complex problems [2]. Today's complexity comes from dramatic structural changes to organizations and governments such as globalization, global competition, workforce diversity, and continual innovations [3]. Also, deMattos et al. [3] highlighted the information revolution and the creation and destruction of organizations as contributors to this complexity.

Within the complexity literature, complexity results from the "inter-relationship, inter-action, and inter-connectivity of elements within a system" [3], among elements that make up the

system (micro-level), and among different systems (macro-level). In the organizational science's literature, organizations are viewed as being complex adaptive systems (CAS) that are a composite of the "interconnected whole" [4]. West [2] identified the growth of this complexity due to, in part; the digital revolution, the increasing diversity as a result of interconnectedness and globalization, the interconnectedness within and across entities, the need for inclusion, and a growing demand in the need to belong amongst these interconnections [2]. Aghina et al. [5] highlighted advances in technology and connectivity as reasons why organizations needed to create "new forms of engagement within and across organizational boundaries" (The evolving organizational challenge). Also, organizations must learn to become competitive in these new "rapidly emerging 'ecosystems'" that involve multiple organizations and business sectors.

Driving and managing these interconnections are collaborative entities, teams and small groups. In today's workplace, teams have become the common collaborative entity. West [2] highlighted this point by stating that "teamwork is ubiquitous in modern organizations". Keller and Meaney [6] reported that research conducted by McKinsey & Company showed executives were "five times more productive when working in one [high-performing team] than they are in an average one [team]".

In placing teams as CAS [7, 8] that manage and operate in these emerging ecosystems, teams become one of the antecedents or predictors to an organization's survival. To provide successful high-performing teams, organizations must be able to facilitate the factors that lead to a team's effectiveness. These factors are known as the 9-Cs in which team conflict is one of these factors. These concepts are important to understand when managing and facilitating teams, especially when it comes to managing team conflict. This chapter is divided into four sections. The first section discusses teams, what they are, what are the 9-Cs of team effectiveness, team transitions, team failure mechanisms, and team leadership. The second section looks at CAS and how teams and small groups are considered CAS and what this means to the organization and the larger emerging ecosystem. Also, team conflict will be positioned within these CAS as a key factor that should be considered in any team and organizational system. Next, this chapter reviews traditional organizational conflict models from the literature. Following, the discussion moves to reviewing the literature on traditional intragroup conflict and newer, emerging, intragroup conflict types. Next, this chapter previews different conflict management models and techniques that could be used for managing teams and, more specifically, team conflict. In conclusion, this chapter introduces adaptive leadership as one potential leadership style to implement when dealing with complex adaptive systems and intragroup conflict in today's complex and global environment.

2. Teams

Cohen and Bailey [9] defined teams in the following manner:

> A team is a collection of individuals who are interdependent in their tasks, who share a responsibility for outcomes, who see themselves and who are seen by others as an intact social entity embedded in one or more larger social systems (for example, business unit or the corporation), and who manage their relationships across organizational boundaries.

Cohen and Bailey [9] used the terms team and group interchangeably, noting that the field of management typically refers to teams, whereas academic literature typically uses the term group. We will consider teams and small groups as being synonymous to one another for this book chapter.

Kozlowski and Ilgen [10] defined teams as: "Complex dynamic systems that exist in a context, develop as members interact over time, and evolve and adapt as situational demands unfold". Gibson [11] described a group as a social aggregation with meaning, with a limited number of interacting people, and with shared objectives. Relating to the shared objectives, Cohen and Bailey [9] noted that some groups have different degrees of *groupness* (or sharedness), where teams with high degrees of groupness are more independent compared to groups with lower degrees of groupness.

Teams are composed of individuals working on interdependent tasks which contribute to the overall task objective of the collective. The first identifier of a team is the interdependency of individual members working toward a common goal. Second, team members are required to interact to combine each team member's interdependent portion of the overall task. In combining each individual effort into a composite representative of the team's output, team members must interact with one another. This interaction involves shared responsibilities in which authentic communication [12] is a requirement. Finally, a team must also be adaptive as indicated by Cohen and Bailey [9]. Today's knowledge economy presents complex dynamic problems to which teams need to adapt. Although adaptability may not be an initial requirement for a team, if a team is to remain successful in a "dynamic, shifting, and complex environment" [10], it must learn to be adaptive.

3. Team effectiveness: 9-Cs

The literature on team performance or team effectiveness has grown into essentially 9 core processes (**Figure 1**). One example of this expansion is in the addition of conflict to this list of core processes. Weaver et al. [13] did not include conflict in their list of core processes whereas Dinh and Salas [14] and Salas et al. [1] included conflict. All-in-all the current literature presents a total of nine core processes that need to be considered when participating in, or managing, highly effective teams: coaching, cognition, cohesion, collective efficacy, collective identify, communication, conflict, cooperation, and coordination. Definitions for each of these processes are provided in **Table 1**.

Among these core processes, Dinh and Salas [14] differentiated between internal and external dynamics. Internal dynamics include a team's core processes, or emerging states, whereas external dynamics are composed of influencing conditions. Emerging states include the processes of coaching, cognition, communication, conflict, cooperation, and coordination [1, 14]. Influencing conditions (**Figure 2**) include context, composition, and culture. Definitions for these influencing conditions are also provided in **Table 1**. Within these six emerging states, Dinh and Salas [14] and Salas et al. [1] included the processes of collective efficacy and collective identity as part of the cooperation process.

Figure 1. Teamwork processes.

Factor	Definition	Source
Emerging States		
Coaching	Direct interaction with a team intended to help members make coordinated and task-appropriate use of their collective resources in accomplishing the team's work.	Weaver et al. [13], p. 15; see also Hackman and Wageman [80]
	An enactment of leadership behaviors to establish goals and set direction towards the successful accomplishment thereof.	Dinh and Salas [14], p. 23; see also Fleishman et al. [77]
	The host of activities performed by both individuals and teams for the sake of team effectiveness.	Dinh and Salas [14], p. 23; see also Hackman and Wageman [80]
Cognition	A foundational component of effective team processes, as it allows teams to enter performance episodes with a mutual baseline understanding of how to engage in the task at hand.	Dinh and Salas [14], p. 24; see also Salas et al. [1]
	Detecting and recognize[ing] pertinent cues, make decisions, problem solving, storing and remembering relevant information, planning, and seeking and acquiring necessary knowledge.	Weaver et al. [13], p. 15; see also Orasanu [90]
	Shared cognition: The collective understanding among team members regarding team member interactions and team tasks.	Hinsz and Ladbury [81]; see also Turner et al. [92]
	Team cognition: The organized understanding of collective knowledge among team members.	Mohammed and Dumville [85]; see also Turner et al. [92]
Cohesion	Affective attraction to the team, team goals, and desire to remain part of the team.	Weaver et al. [13], p. 15; see also Zaccaro and Lowe [93]; Beal et al. [73]
	The degree to which team members desire to remain in the team and are committed to the team goal.	Forsyth [78]

Factor	Definition	Source
	The feeling of belonging to a group, liking the tasks a group performs, and having an identity with a group.	Turner [91]
	The process of keeping team members together and united.	Dion [74]; see also Turner [91]
Collective Efficacy	Team efficacy: The perception that the team is capable of performing well at a given task.	Levi [88], p. 65
	The collective sense of competence or perceived empowerment to control the team's performance or environment.	Dinh and Salas [14], p. 18; see also Katz-Navon and Erez [86]; Mahieu, Gilson, and Ruddy [89]; Zaccaro et al. [87]
	The belief, shared among a substantial portion of the group members, that the group is capable of organizing and executing the actions required to attain the group's goals and successfully complete its tasks.	Forsyth [78], p. 138
Collective Identity	Perceptions of oneness with a particular group.	Weaver et al. [13], p. 15; see also Ashford and Mael [72]
	One's sense of individuality is replaced by a shared sense of unity.	Forsyth [78], p. 138
Communication	Exchange of information that teams use to perform such tasks as negotiating their goals, making decisions, and providing one another task status information.	Weaver et al. [13], p. 15; see also Fussell et al. [79]
	The process by which a person or group sends some type of information to another person or group…. Three basic parts of communication: sender, receiver, message.	Levi [88], p. 102
	A transactional process, in which communicators can send and receive information simultaneously and influence these pathways.	Dinh and Salas [14], pp. 21–22
Conflict[*]	The perceived incompatibility in interests, beliefs, or views held by one or more team members.	Dinh and Salas [14], p. 23; see also Jehn [82]
	Differences or incompatibilities in interests, values, power, perception and goals.	Yasmi et al. [31]; see also Turner [44]
	Being either a set of incompatibilities or an awareness of being threatened or frustrated or perceived to be threatened.	Turner [44], p. 151
Cooperation	Motivation and desire to engage in coordinative and adaptive behavior.	Weaver et al. [13], p. 15; see also Fiore et al. [76]
	A performance situation that is structured in such a way that the success of any one member of the group improves the chances of other members' succeeding.	Forsyth [78], p. 436
Coordination	The enactment of behavioral and cognitive mechanisms necessary to perform a task and transform team resources into outcomes.	Salas et al. [1], p. 603; Dinh and Salas [14]
	The process of orchestrating the sequence and timing of interdependent actions.	Marks et al. [15], pp. 367–368
	Coordination activity: Processes aimed at managing dependence through collaboration, coordination, negotiation, and feedback.	Drach-Zahavy and Somech, [75], p. 149

Factor	Definition	Source
Influencing conditions		
Context	Situational characteristics or events that influence the occurrence and meaning of behavior, as well as the manner and degree to which various factors (e.g., team member characteristics, team behaviors processes) impact team outcomes.	Salas et al. [1], p. 611
	Situational opportunities and constraints that affect the occurrence and meaning of organizational behavior as well as functional relationships between variables.	Johns [83], p. 386
Composition	Team building: Making sure the team has common goals and that members can work together to achieve them.	Levi [88], p. 328
	The mix of knowledge, skills, abilities, and other characteristics (KSAOs) of team members.	Mathieu et al. [84], pp. 522–523
Culture	Team culture: The shared perception of how the team should operate to accomplish its goals. Team norms, member roles, and patterns of interaction are included in the team culture.	Levi [88], p. 265
	The assumptions people hold about relationships with each other and the environment that are shared among an identifiable group of people (e.g., team, organization, nation) and manifest in individuals' values, beliefs, norms for social behavior, and artifacts.	Salas et al. [1], p. 613

*More complete definitions of the different types of conflict will be provided in later sections of this chapter.

Table 1. Definitions of team effectiveness core processes.
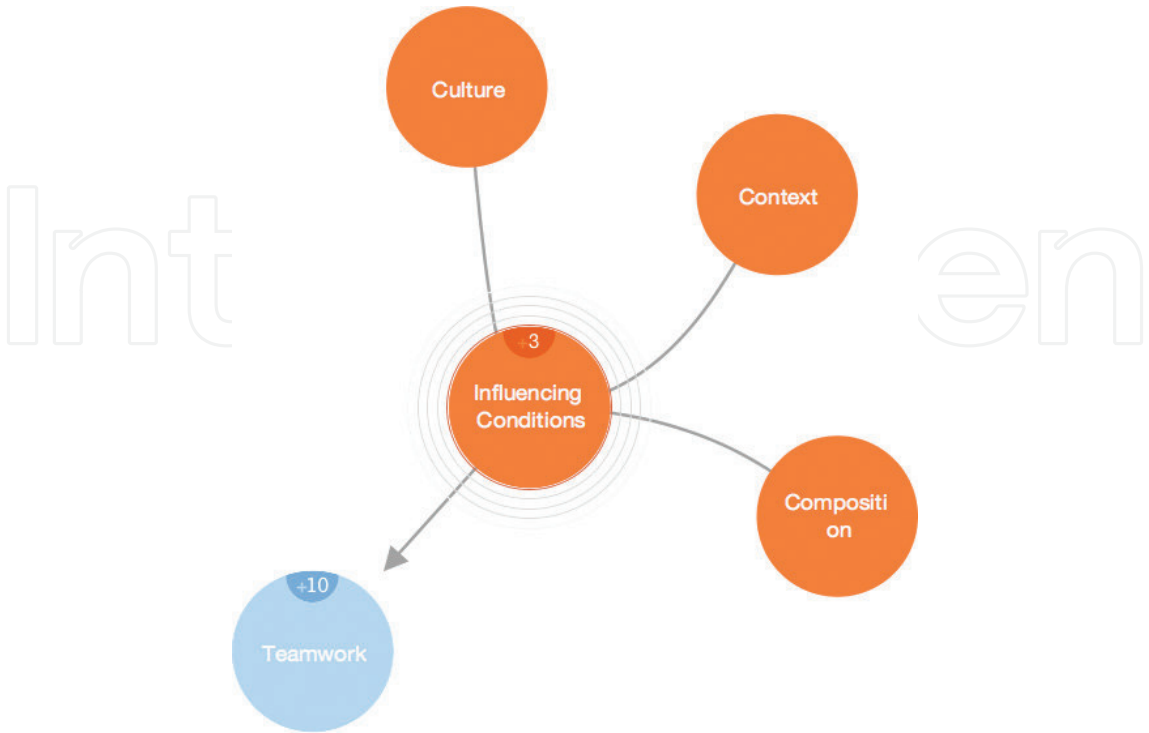

Figure 2. Influencing conditions.

For this chapter, we will maintain that there are nine emerging states (coaching, cognition, cohesion, collective efficacy, collective identify, communication, conflict, cooperation, and coordination) and three influencing factors (context, composition, and culture).

4. Team transition processes

The overall team processes are presented as a taxonomy by Marks et al. [15] with three categories: transition phase processes, action phase processes, and the interpersonal processes. These processes are categorized around three phases in which the transition phase mostly occurs during the beginning stages of team formation, the action phases take place after team formation and during team task work, and the interpersonal processes occur throughout the entire time up to the point that the team completes its goal. **Figure 3** provides a diagram showing these different phases of the team transition processes.

4.1. Transition phase

During the transition phases team members primarily concentrate on distributing tasks, scheduling of activities, and allocation of resources. These transition phases aid the team in accomplishing
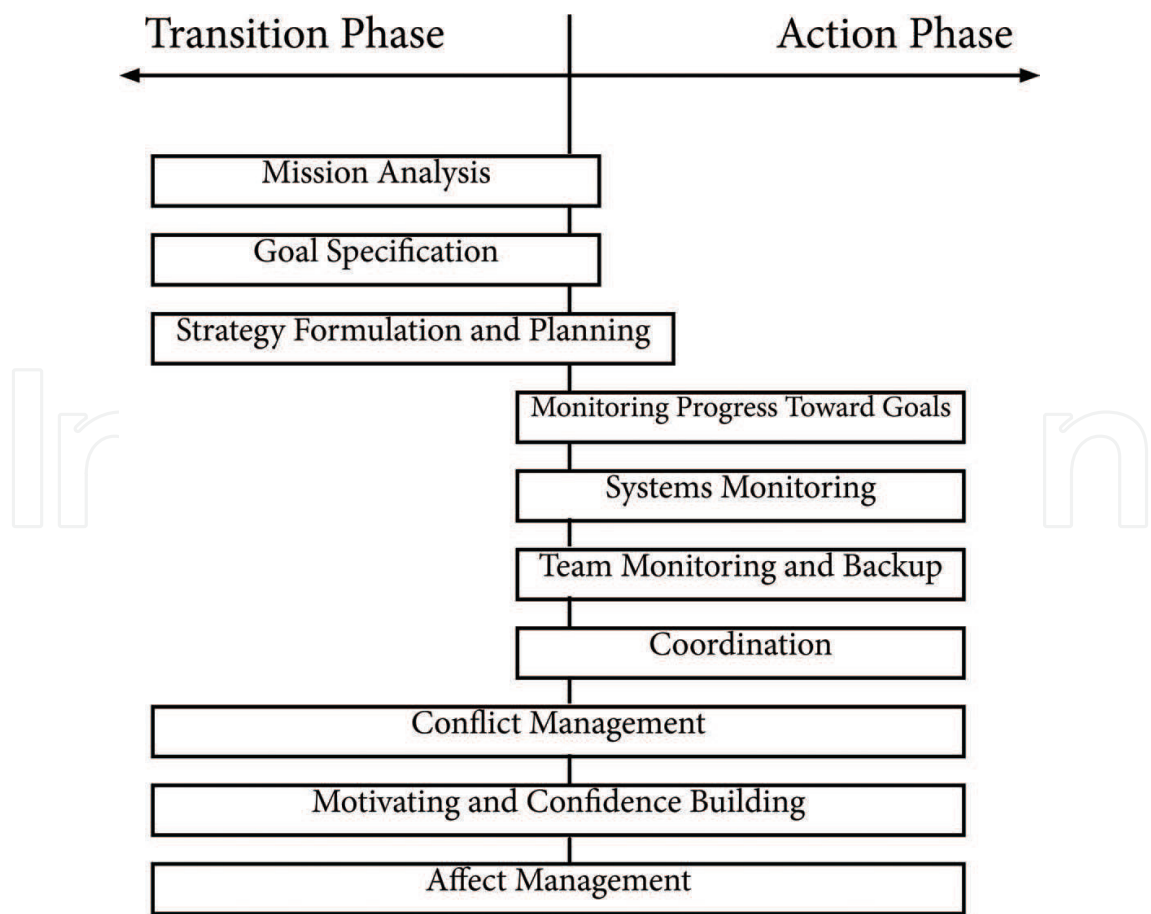

Figure 3. Team transition processes.

their goal or objective [15]. LePine et al. [16] described these transition phases as: "Actions that teams execute between performance episodes". Among the transition phases, Marks et al. [15] identified three processes: mission analysis, goal specification, and strategy formation and planning. Mission analysis involves team member's interpretation and evaluation of the team's mission, identification of the team's goal and its environment, and assessing resources required compared to resources available [15]. Goal specification relates to prioritizing goals of the team as well as associating these goals with the organization. Strategy formulation and planning identifies decisions that need to be made to achieve the team's goal, the team's expectations, assignment of duties, lines of communication, along with setting priorities and deadlines. Stout et al. [17] identified that teams high in planning (e.g., strategy formulation and planning phase) are more effective at communicating with team members at critical times, when needed the most.

4.2. Action phases

Action phases relate to the team's activities aimed specifically toward goal accomplishment [15]. This phase concentrates on team activities that lead toward goal attainment. The action phases have four processes: monitoring progress toward goals, systems monitoring, team monitoring and backup responses, and coordination activities [15]. The first process, monitoring progress toward goals, relates to team members paying attention to, interpreting, and communicating information that allows team members to assess and provide feedback to the team's progress. The second process, systems monitoring, tracks a team's resources and environment. Team monitoring and backup responses, the third process, provides support services for team members. This process gives team members individual feedback, coaching/mentoring, assistance in task completion, etc.… The last process, coordination activities, related to "the process of orchestrating the sequence and timing of interdependent actions" [15]. This process is conducted by individual members as a shared-leadership role, and by the team's leader/manager if one is assigned.

4.3. Interpersonal phases

The interpersonal phases relate to those team activities that are primarily concentrated toward managing relationships, internal and external. Interpersonal phases are different from the transition and action phases in that they are mostly present throughout the duration that the team is formed. The interpersonal processes involve three processes: conflict management, motivating/confidence building, and affect management [15]. Conflict management is geared toward managing conflict so that constructive conflict is facilitated and destructive conflict is diminished. Understanding conflict in small group settings requires viewing conflict from the individual's perspective as well as from the perspective of the collective. Conflict is prevalent throughout a team's formation, a further discussion of conflict that takes place in small group settings, intragroup conflict, will be provided in the next section. Conflict management focuses on identifying areas of agreement and disagreement among team members, identifying any barriers relating to task accomplishment, to better identify intragroup conflict. Conflict management then optimizes collaborative efforts around conflict by collectively selecting the best course of action in resolving conflicting issues. The second process in the interpersonal processes, motivating/confidence building, involves "activities that develop and maintain members' motivation and confidence with regard to the team accomplishing its goals and objectives" [16]. The last process, affect management, facilitates emotional balance

among team members. This last process monitors members' emotions, social cohesion, team member frustrations and excitement, as well as examining team morale [16].

4.4. Putting the pieces together

The taxonomy of team processes presented by Mathieu et al. [18] incorporates transition phase processes that evaluate past achievements and plan future achievements with action phase processes that involve activities dedicated to goal accomplishment. Throughout the transition and action phase processes, interpersonal processes are continually being managed. Mathieu et al. [18] identified: "Some processes are more likely to occur during transition periods, whereas others are more likely to occur during action periods. Interpersonal processes are expected to occur throughout transition and action phases". Of these interpersonal processes, conflict is a key determinant that is not only prevalent in all small group settings, but it has the potential to be destructive to the point of preventing a team from accomplishing its stated goals. This chapter further identifies these different intragroup conflicts and addresses how best to manage these conflicts.

5. Complex adaptive systems

Just as organizations are viewed as being complex adaptive systems (CAS) [19, 20], teams are also viewed as being CAS. We utilize the definition provided by Uhl-Bien et al. [21] for CAS:

> *Neural-like networks of interacting, interdependent agents who are bonded in a cooperative dynamic by common goal, outlook, need, etc. They are changeable structures with multiple, overlapping hierarchies, and like the individuals that comprise them, CAS are linked with one another in a dynamic, interactive network.*

In this definition of CAS, neural-like networks represent teams while the interacting and interdependent agents represent individual team members. As one of the characteristics of a team involves having a common goal, this definition fits well for teamwork settings. The overlapping hierarchies represent components of shared leadership that takes place in teams, no one team member leads the whole team through all tasks. It is advantageous for teams to use the skills, experiences, and resources available to them when deciding who will lead the team during each stage of the team's goal. It could be that multiple team members take an individual leadership role before the team meets its stated goal, resulting in a self-organizing shared leadership function. Teams are dynamic in nature in that each individual member is working independently as well as interdependently on their own task as an effort to contribute to the collective's main objective.

Complex adaptive systems consist of six primary functions: they operate in open systems, they are self-organizing, they operate on the *edge of chaos*, they adapt to external changes, they require interactions among individual agents, ultimately resulting in a new emergent collective or product.

5.1. Open systems

Systems theory and systems thinking operate in closed systems, a change in one part of the system results in an expected and predictable change in another part of the system. Closed systems provide a level of predictability and are partially sheltered from external forces. In

contrast, complexity theory or complexity thinking operates in open systems. Open systems are non-linear, unpredictable, in which changes in one part of the system could lead to predictable results just as easy as unpredictable results.

5.2. Self-organizing

Operating in open systems requires self-organizing systems compared to directed systems. Systems that are controlled, or directed every step of the way, are less able to react to multiple threats from the environment (external of the system). Systems that are capable of self-organizing and reorganize as needed, are better able to operate in open systems more effectively compared to controlled systems. This key characteristic, the ability to self-organize, is defined by Varga [22] as: "self-organization occurs through the dynamics, interactions and feedbacks of heterogeneous components".

5.3. Edge of chaos

The *butterfly effect*, as described by Olbolensky [23], states that small changes in one part of a system can yield dramatic changes in other parts of the system, if not the whole system. Sometimes these changes are planned, but other times they are reactive to external forces (e.g., governmental policy changes, industry changes, mergers). Managing these butterfly effects are what CAS do, they operate on the *edge of chaos*: "they are able to balance order and chaos". Complex adaptive systems self-organize and allocate resources so that they adapt to external changes by making the appropriate adjustments to the system, just enough so not to reach chaos but to adapt to external forces.

5.4. Adaptability

Being able to adapt to external forces is one requirement when operating in open systems. For a system to self-organize, then alter its course and reorganize, it must be adaptable. Adaptive systems "have a high degree of awareness to its local context as well as a high capability to change internally" [23]. This adaptability characteristics includes a team and its members to adapt to both internal and external forces. One example of internal forces could be intragroup conflict, with intergroup conflict being an example of external forces.

5.5. Interactions

Interactions are identified as being representative of "causal processes at the lower levels" [24], and can represent structural or behavioral processes. In viewing behavioral processes in a team setting, facilitation constructive conflict as opposed to destructive conflict will aid in a team's interactions, thus becoming more effective and adaptive. In complexity terms, facilitating interactions aids emergence.

5.6. Emergence

Complex adaptive systems operate from the bottom-up in a dynamic manner that facilitates interactions among the system's agents (e.g., individual team members) with the potential of producing emergent, new, structures [22]. Beck and Plowman [19] identified emergence as "new

structures and new forms of behavior in open systems far from equilibrium", whereas Campbell-Hunt [25] identified it as "new structures around which organizational activity is reassembled".

Operating in complex and open systems, teams must be free to self-organize as they adapt to external and internal forces, allowing team members to interact accordingly until the team emerges as a new entity to address the current environment. This process identifying teams as complex adaptive systems is described best by Beck and Plowman [19]:

> When provoked by either an unforeseen opportunity or threat, a CAS moves away from equilibrium or stability, toward instability or disequilibrium…. In doing so, a system experiences adaptive tensions that give rise to emergent self-organization, the ability to spontaneously arrange its components in a purposeful way without the direction of a higher level coordinator.

5.7. Groups as complex adaptive systems

Groups are best represented as being complex adaptive systems (CAS). McGrath et al. [7] highlighted this point by describing groups as: "complex entities embedded in a hierarchy of levels and characterized by multiple, bidirectional, and nonlinear causal relations". McGrath et al. [7] identified groups as "complex entities embedded in a hierarchy of levels and characterized by multiple, bidirectional, and nonlinear causal relations". Ramos-Villagrasa et al. [8] proposed that viewing teams as CAS was more than just a metaphor anymore, it has become a "change in the epistemology of teams". Ramos-Villagrasa et al. [8] highlighted this new epistemology as providing researchers to: "(a) adopt a different logic of inquiry, (b) to deal with temporal issues, (c) to raise the level of theoretical sophistication, and (d) thus to lead to better practical applications". One example of this is in [26] complex adaptive team systems model that utilizes naturally occurring team processes (see TELDE model [27]) to drive organizational interventions.

6. Traditional organizational conflict

6.1. Conflict models

Conflict models can be classified as being either descriptive or normative in design. Lewicki et al. [28] identified the key identifier in differentiating between descriptive and normative conflict models as their origin of analysis. Descriptive conflict models tend to be built down from human behavior theories, mainly from academia [28]. In contrast, Lewicki et al. [28] differentiated normative conflict models as those that are built up from direct experience by practitioners.

Six general approaches to conflict were identified by Lewicki et al. [28]: the micro-level approach, the macro-level approach, economic analysis, labor relations approach, bargaining and negotiation, and third party dispute resolution. These different approaches to conflict have been derived from both academia and practitioners, have evolved to address specific needs, have emerged to accompany specific industries, and have originated due to excessive frequency of usage [28].

The micro-level approach best fits with the purpose of this review to identify cognitive conflicts in team settings. The micro-level approach is based in psychological theory concentrating

on conflict within and between participants while looking at small group behavior, inter- and intra-personal interactions [28]. A review of the conflict theories from the Lewicki et al.'s [28] manuscript will be concentrated on those classified as being descriptive conflict models from the micro-level approach.

The predominant paradigm within the micro-level approach is presented as being [29] organizational conflict model. Additional models within the micro-level approach that are descriptive had been identified as: [30] *Fight, Debate, Stages of Conflict*; [31] *Stages of Conflict*; and [32] *Conflict Escalation*. The following sections will explore further the literature on these micro-level approaches.

6.1.1. Pondy's (1967) stage model

Three conceptual models were presented by Pondy [29] in his seminal article: the bargaining model, the bureaucratic model, and the systems model. These conceptual models deal with interdepartmental conflict (bargaining model), vertical hierarchy conflict (bureaucratic model), and lateral conflict (systems model). Although Pondy's conceptual models were identified to conceptually represent conflict in organizations, both the bureaucratic and systems models could be utilized to represent conflict in a team setting. The bureaucratic model could be associated with conflict between team leadership and team members, whereas the systems model could be representative of team member to team member conflict. Pondy [29] identified common threads for each of these three conceptual models. These commonalities are summarized below with the original emphasis changed from organization to team:

1. Each conflict relationship is composed of a sequence of interlocking conflict episodes.

2. Conflict may be functional as well as dysfunctional for the individual and the team.

3. Conflict is intimately dependent upon the stability of the team [29].

To further elaborate on the characteristics of conflict, Pondy [29] identified five conflict episodes: "1) latent conflict (conditions), 2) perceived conflict (cognition), 3) felt conflict (affect), 4) manifest conflict (behavior), and 5) conflict aftermath (conditions)". This systematic organization has been helpful to provide a framework for evaluating the type of conflict team members have experienced or thought they have experienced.

Latent conflict is driven by conflict related to scarce resources, autonomy, and divergence of goals. Role sets within teams is one example of latent conflict, with this latent conflict possibly generated between the team members. Pondy [29] identified latent conflict to occur when "the focal person receives incompatible role demands or expectations from the persons in his role set".

With a focus on teams, conflict could occur when a team member receives incoherent task assignments or expectations from other team members. Although there might be no conditions for latent conflict in the team, perceived conflict in a team setting is likely to occur when one team member misunderstands the positions of the other team members. To manage conflict within the team, Pondy indicated that a suppression mechanism and an attention-focus mechanism can be present during a perceived conflict episode. When a team member blocked a conflict, the suppression mechanism was applied to team member conflict. In contrast,

Pondy explained that the activation of the attention-focus mechanism was applied where team members focused on conflict related more to behaviors within the team organization rather than the personal values of the team members.

Felt conflict refers to the "personalization of conflict" [29]. This conflict could be present in situations where inconsistent demands on team members are made or when a team member feels anxiety through the personalization of conflict [29]. The amount of conflict felt by team members has been observed to be at different levels; there is the possibility that one person might feel conflict with another team member of which that team member has no idea there is any conflict. The level of anxiety felt is personalized.

Manifest conflict represents the levels of behavior that one may take due to the conflict. A team member may react hostile toward a perceived or threatening conflict, which could result in a disruption of other team members. A key element noted within manifest conflict was the intention to create, hence manifest, a conflict situation to frustrate a team member and result in non-cooperative behavior.

Lastly, Pondy [29] explained two possible outcomes for the episode of conflict aftermath; not all conflict has the impact of limiting the achievement of goals within the team. If conflict has a positive effect on both the team members and their performance, then the conflict aftermath would be positive and the team members would be more receptive and experienced controlling future conflict situations. Alternatively, if the conflict had a suppression effect, then team members may react unfavorably during the next conflict episode, or even worse, team members could unleash unresolved issues from a past conflict episode, eventually resulting in poor team cohesion and performance.

6.1.2. Fight/game/debate

Three levels of conflict were introduced by Rapaport [30]: fight, game, and debate. At the first level, fight conflict, responses to conflict are automatic responses, which are manifested by chains of events rather than by rational choice [30]. Within the fight conflict, Rapaport [30] explained that there were both positive and negative feedback loops that account for either the stability or instability of the system. The essence of the fight level is the basic fight or flight responses that are embedded into our psychological make-up. To move beyond these basic animalistic responses, one incorporates cognitive senses as a component of conflict, transforming one from the fight level to the game level of conflict. Rapaport [30] further identified various types of games including zero-sum games where both players eventually lose something, the non-zero sum game where the win of one player does not necessarily mean the loss of the second player, and the three-person coalition game where the final outcome is ultimately decided by the social norm or the majority rule. Within the third aspect, Rapaport [30] described the debate level of conflict as one in which the opponent needs to be convinced of the outcome. As an attempt to persuade someone to listen to an alternate position one often needs to offer new insights that are not threatening [30]. The debate level of conflict offers a situation in which each side has an opportunity to present their position while the other side listens, and vice versa. By providing both sides a position, and allowing each alternative side to listen to opposing views, a better resolution or decision could be made.

Of the three levels of conflict presented by Rapaport [30] the debate level of conflict would be the best level of conflict to model in a team setting. The exchange of information is critical to resolve the team's conflict. This exchange of information allows team members to consider other points of view, which can lead to productive resolution. This is supported by Rapaport [30]: "a shift in the outlook of the other can take place only together with a shift in one's own outlook".

6.1.3. Stages of conflict

Escalation theory is presented by Yasmi et al. [31] to represent the escalation of a conflict when nothing is done to address the conflict or if the conflict is not addressed in a timely manner. Escalation theory within conflict in teams is "based on inter-individuals' conflicts within organizational settings" [31]. The model presented by Yasmi et al. [31] is based on Glasl's (as cited in Thomas [31]) stage model of conflict escalation which involved nine stages of escalation: (1) hardening, (2) debate, polemics, (3) actions, not words, (4) image and coalition, (5) loss of face, (6) strategies of threat, (7) limited destructive blows, (8) fragmentation of enemy, and (9) together into the abyss.

The first stage of conflict, hardening, takes place when a typical disagreement in opinion or policy occurs between two parties. As each party attempts to resolve the conflict, both sides become more fixed in their positions, hence the descriptive term, hardening, used for this stage. Thomas [33] explained that progression to stage two occurs when either side loses faith in resolving the conflict: "When straight argumentation is abandoned in favour of tactical and manipulative argumentative tricks, the conflict slips into stage 2". During the second stage of debate, the two parties continue to hold onto their fixed position, furthering their diverging positions. Thomas identified that rational interactions escalate into emotional and power issues during this stage. At this point mistrust becomes an issue and one or both parties begin to act without consulting the other side [33]. This leads us to the third stage, actions, not words. During the actions stage, each party views the other as a competitor in which verbal communication is diminished due to a lack of trust between the parties [33]. Both parties begin to feel a sense of helplessness in that neither side can resolve the conflict.

Once the conflict becomes a matter of either victory or defeat for both parties, as Thomas [33] pointed out, the conflict has entered into the fourth stage, images and coalitions. During this fourth stage, each party suppresses the opinions and suggestions presented from the other party resulting in in-action. Attacks become more prevalent and take a form that borders acceptable norms for the two parties involved. Thomas identified these attacks as dealing through "insinuation, ambiguous comments, irony and body language" (stage 4). Once these attacks expand beyond the acceptable norms for the two parties then the conflict has entered into stage 5, loss of face. Thomas [33] identified attacks during this fifth stage to be directed toward a person's status within the group or organization, a person's 'face'. Once the conflict escalates to where one or both parties begin to make ultimatums or threats, Thomas indicated that the escalation has entered into stage 6, strategies of threats. Beyond this sixth stage, those stages of limited destructive blows, fragmentation of the enemy, and together into the abyss, are present in rare cases [33]. In most cases, conflict within a team setting will be of the stages between hardening (stage 1) and loss of face (stage 5).

6.1.4. Conflict escalation

Escalation can take one of two forms according to Pruitt [32]. Escalation where one party becomes increasingly resistant while the second party remains open to discussion is what Pruitt termed *unilateral escalation*. Alternatively, Pruitt identified *bilateral escalation* to indicate when both parties are increasingly resistant to the other corresponding party. When bilateral escalation is present on both sides, counter to each other's opinions, this eventually leads to what Pruitt termed a *conflict spiral,* resulting in an escalation in magnitude. The longer the conflict spiral persists, and the higher in magnitude the conflict becomes, each party's members may begin to develop a new set of norms surrounding the conflict. At this point, it is harder to reverse the process due to the new, differing, set of norms that have developed on the two opposing sides [32]. This view of conflict escalation provided by Pruitt is most relevant to conflict in teams in that Pruitt identified that "groups are also more prone to escalation than are individuals".

6.1.5. Dual concerns

Dual concerns have been identified in the literature to represent the dual nature of 'concern for oneself' and 'concern for others' [34–36]. The interaction of the concern for self and concern for others occurs on a diagonal where low concern for self and a low concern for others results in a team experience that attempts to avoid the conflict. As the level of concern increases along the diagonal, the level of positive strategy for conflict resolution in implemented. The highest concern for self and for others on the diagonal represents a compromise situation for team members. Although the level of concern seemingly provides for positive outcomes related to conflict resolution, team members with little or no experiences have been observed to have difficulty integrating conflict resolution strategies for long-term solutions in team conflict situations [35]. It is expected that team members who experience the stages of conflict and are novices to conflict, would have difficulty achieving positive outcomes.

7. Traditional intragroup conflict

Conflict in group settings (e.g., teams, department, task group) has been described as being a dynamic process consisting of a series of conflict episodes [29]. Greer et al. [37] supported this description by indicating that "conflict is dynamic". Likewise, Pondy [29] proposed: "Conflict can be more readily understood if it is considered a dynamic process". Since Pondy's [29] stages of conflict, the field of intragroup conflict has expanded into a multidimensional model. Balkundi et al. [38] indicated that team conflict could have multiple effects including distracting team members, undermining relationships, and reducing the team's ability to function (similar to those effects outlined by Pondy's conflict episodes). Team conflict is synonymous with intragroup conflict or within group conflict. Intragroup conflict can be formally defined as: "Perceived incompatibilities or perceptions by the parties involved that they hold discrepant views or have interpersonal incompatibilities" [39].

Traditionally, intragroup conflict has been described as being a multidimensional construct [40] consisting of task, relationship, and process conflict. Intragroup conflict originated with Jehn [39] in which task and relationship conflict were first combined into one larger concept - intragroup conflict. Further expansion of intragroup conflict began with the introduction of process conflict [40–43]. At this point, intragroup conflict was identified as consisting of the "trio of task, relationship, and process conflict" [44]. Jehn and Chatment [41] highlighted the point that the three intragroup conflict types were interrelated and each one should be included in any research effort that looks at intragroup conflict (**Figure 4**).

7.1. Task conflict

Task conflict is associated to task related functions and the judgement differences that arise when completing specific tasks [44]. Jehn [39] identified that high levels of task conflict could be associated with "tension, antagonism, and unhappiness among group members and an unwillingness to work together in the future". Also, task conflict relates to differences in opinions or viewpoints about the team's task, including task awareness, disagreement of work issues, and disagreements surrounding the work being conducted [37, 40, 44, 45]. Increasing task conflict has been associated to increasing team performance [46], up to a point. Like most things, too much results in negative consequences.

7.2. Relationship conflict

Relationship relates to interpersonal conflict: "Interpersonal animosity, tension, or annoyance" [45]; also cited in Turner [44] between team members. Whereas disagreements related to task work fall under the task conflict arena; disagreements about non-task work issues are identified as being relationship conflict. Relationship conflict has been identified as being negatively associated with group performance [37]. Also, relationship conflict is potentially the most detrimental conflict type that must be managed effectively. Greer et al. [37] highlighted relationship conflict as having a lasting effect on a team's performance when not managed properly.

7.3. Process conflict

The coordination of activities, scheduling of task work, and allocation of resources make up process conflict. Process conflict has been identified as disagreements about assignments of
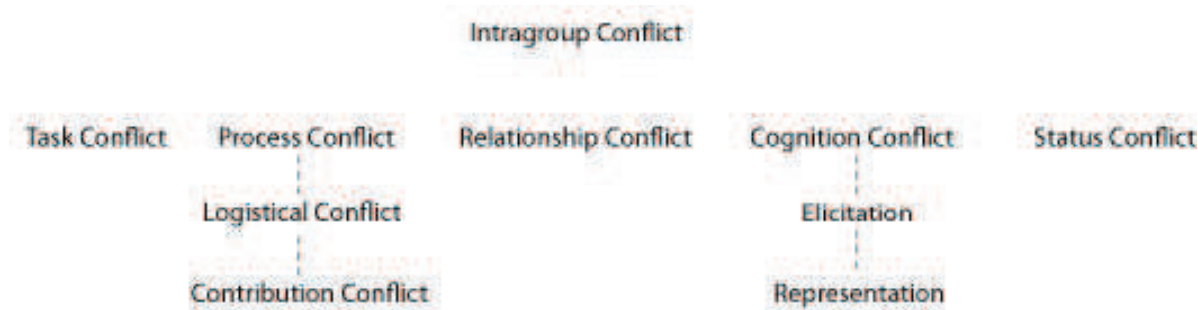

Figure 4. Intragroup conflict.

duties and resources [43], conflict over logistics [37], controversies relating to task accomplishment [42], to simple disagreements over procedures [40, 41]. Process conflict has been shown to negatively impact team performance [46]. As confusion about how to accomplish a task grows, or when resources become unavailable for task completion, tensions grow, resulting in process conflict. Managing process conflict early on during the team's initial formation pays dividends, especially when process conflict has the potential to lead to relationship conflict and status conflict, ultimately resulting in a snowball effect being counter-productive to team performance.

8. Emerging intra-group conflict

8.1. Logistical and contribution conflict: process conflict

Once intragroup conflict had been generally accepted by the field, some extensions to the original trio had been proposed. These extensions had extended process conflict into two separate sub-components, logistical conflict and contribution conflict [44, 47]. Logistical and contribution conflict were derived as extensions of process conflict primarily due to the lack of process conflict being able to differentiate itself from task and relationship conflict, resulting in most studies dropping process conflict and only using task and relationship conflict [47]. Reasons for this were highlighted in Behfar et al.'s [47] research: "Process conflict has been difficult to distinguish empirically from task conflict and is often highly correlated with relationship conflict". Also, process conflict has been confused with task and relationship conflict due to the inconsistencies in their definitions [47]. Logistic conflict relates to allocation of resources for task accomplishment, whereas contribution conflict identifies with coordination of these activities: "Logistical conflict is about task-related differences, but contribution conflict is about people related differences" [47]. From their studies, high levels of logistical conflict can lead to poor group performance and the presence of contribution conflict negatively affected group satisfaction and other team processes [47].

8.2. Cognition conflict

Much in the same manner that process conflict was confused with other types of intragroup conflict due to inconsistent definitions within the literature, so too was cognition conflict misrepresented. A number of studies would identify cognition conflict by name, and use the definition for task conflict (see [44]). Missing from the trio of conflict was the cognitive aspect, representing the team member's representation of knowledge and understanding and the representation of the team's shared knowledge. From the literature relating to team mental models (TMM) and shared mental models (SMM), Turner [44] introduced the construct of cognition conflict to the trio of intragroup conflict. Cognition conflict represents "team member cognitive states (overlapping cognitive representation of team member knowledge, team member representation of tasks, equipment, working relationships, and situations)". Here, cognition conflict was represented by two sub-categories: elicitation and representation. Elicitation represents the team's accuracy of knowledge and representation represents similarity in team member structures [44].

8.3. Status conflict

More recently, Bendersky and Hays [48] introduced status conflict to the intragroup conflict conversation. Status conflict relates to conflicts that arise due to hierarchical structures within the group [48]. Bendersky and Hays [48] defined status conflict as: "Disputes over people's relative status positions in their group's social hierarchy". In their research, they [48] identified status conflict to be negatively associated with information sharing, and highly impactful to group performance (negatively associated).

9. Conflict management and related techniques, approaches and skills

Much research has been conducted on conflict management. This section defines what conflict management is and how it encompasses conflict resolution and dispute resolution. Three conflict management approaches: Robbins [49] levels for conflict; Lan's [50] individual perspective; and Rahim and Magner's [51] and Thomas' [52] concern for others are presented as broad strategies on how to think about conflict management. Also, ten techniques: problem solving [45, 53]; collaboration [54–56]; avoidance [51, 52]; competition [51, 52, 54]; accommodation [51, 52]; compromise [51, 52, 57]; authoritative command [49, 57]; altering structure variables [45, 53]; altering human variable [45, 53]; and expanding resources [49] are provided as tactics for implementing conflict management.

9.1. What is conflict management?

Research on conflict management is extensive. Conflict management is widely studied in a range of disciplines such as sociology, psychology, economics and organizational development [50]. Maybe this is because conflict is always present and occurs in families, political parties, religious groups, businesses, and many other situations [50, 58]. Managers can invest substantial resources in managing conflict [49, 50].

Conflict management, conflict resolution, and dispute resolution are sometimes used synonymously in the literature, but they are not necessarily the same [45, 49, 59]. Just as there are formal conflict (typically associated with settings of defined laws and policies) and informal conflict (typically associated in settings of unwritten communication norms between individuals and groups) types, there are formal and informal conflict management methods [53]. Dispute resolution is often associated with formal work policies, governance, courts, and political situations [60, 61]. Conflict resolution is often associated with the informal interactions between family, team members, colleges, and groups [62–64]. Both terms can be used for formal and informal interactions.

The evolution from dispute and conflict resolution to conflict management includes disputes but is broader — representing stress, tensions, and strains that may or may not have surfaced or been expressed. Management includes resolution, but also includes prevention and containment [45, 59]. Conflict resolution is often seen as a sequence of post-conflict events

intended to end hostility [58]. Whereas, conflict management is more. Management recognizes that not only can conflict be too high, but it also can be too low. Conflict management asks the question, what is the desired level of conflict necessary for success at the interpersonal, group, or intergroup level [49]. Thus, conflict management not only recognizes that conflict can hinder progress, it embraces the idea that conflict enables new ideas, better decision making, and creativity itself [49, 58, 65].

9.2. Conflict management approaches and techniques

Approaches and techniques for conflict management vary greatly from conversations, to third-party involvement, to violent acts [58, 62, 66]. This section will focus on resolving and stimulating conflict through nonviolent constructive approaches and techniques. As with strategies and tactics, approaches, like strategies, tend to be broad in nature - ideas and guides to thinking. On the other hand, techniques are more like tactics that are more specific and actionable. This section will be spent focusing on techniques. However, approaches are identified as a basis for explaining how the techniques developed.

9.2.1. Approaches

One approach outlined by Robbins [49] focused on the desired level for conflict. This approach defines conflict as an opposition between two parties. It recognizes that conflict can occur at the interpersonal, group, or intergroup level. This approach considers the traditionalists, behaviorist, and the interactionist view of conflict management. With both the traditionalists and the behaviorist, the approach is to eliminate conflict. But, the interactionist encourages conflict. Through this approach, conflict enables change. Therefore, conflict management is not just the resolution of conflict, but also the stimulation to foster improvement. Eight different conflict management techniques are identified [49].

Another approach outlined by Lan [50] considers the individual status of the conflicting parties. This approach to conflict takes a U.S. centric view. In this approach, the distinct conflict players are the conflicting parties, the observers or onlookers and conflict resolvers. There are three authority related values systems: managerial, political, and legal. The managerial system values efficiency and effectiveness and views the individual as an impersonal objective case. The political system values representation and views the individual as a member of a group. The last system, the legal system, values constitutional integrity; it views the individual as having equal rights. Conflict management is evaluated, stimulated and resolved through one or a combination of these systems. Three primary conflict management techniques are presented with additional alternative techniques [50].

Within the last approach, proposed by Thomas [52] and by Rahim and Magner [51], each consider the concern for others (cooperativeness) and concern for self (assertiveness) as key predictors in how individuals will manage conflict. These researchers used a two by two matrix to predict conflict management styles based on the strength of each consideration—ranging from high concern for both self and others to low concern for self and others. Five conflict management techniques are identified [51, 52] and are presented in the following section.

9.2.2. Techniques

The following conflict management techniques have been highlighted in the research approaches mentioned above and from related research on conflict management approaches, techniques, and skills. Techniques are not mutually exclusive and may have some overlapping concepts. Different techniques may be more appropriate based on conflict type (task, process, or relational), outcomes, timing, and the power position of interacting parties [44, 45, 54].

9.2.2.1. Problem solving

Problem solving is the most direct technique. Problem solving is often associated with managing task related conflict [44, 45].Through this tactic, parties involved in the conflict interact to define, assess, and solve the problem [49, 50]. Interactions to arrive at problem definition among conflicting parties, observers and/or conflict resolvers may involve debate and discussion of ideas [45]. Through communications and direct interactions to confront the problem and related parties, information can be gained to move forward [57, 66]. Problem-solving can be executed through individual interaction, workshops, and third-party mediation [50, 58].

9.2.2.2. Collaboration

Collaboration is often seen as the most desired technique [54]. Through the collaboration tactic, one focuses on both high concern for others (cooperativeness) and high concern for self (assertiveness) in conflict management [51, 52]. The collaborative technique can be described as integrative and cooperative because it constructively searches for information that can be used to develop mutually satisfactory agreements [55, 56]. Collaboration can also be described as smoothing, which focuses on common interest between parties and deemphasize differences [49, 57, 67]. In some situations, cooperation has to evolve and grow over time allowing for small victories to build trust while enabling flexibility and learning [68].

9.2.2.3. Avoidance

This is the opposite technique to collaboration. Avoidance is often practiced when there is a low regard for self and the opposing position in a conflict [51, 52]. Withdrawal, ignoring, suppression, and not addressing issues represent this technique [46, 50, 58, 68].

9.2.2.4. Competition

With the competition technique, one focuses on high regard for self (assertion) and low regard for the opposing position (low cooperation) in managing conflict [52–53]. This technique can also be labeled as dominating and is often used when there is a perceived power imbalance favoring the dominant party [51, 54].

9.2.2.5. Accommodation

The opposite tactic to the competitive technique is accommodation. With this technique, one focuses on a low regard for self and a high regard for the opposing position [51, 52]. This technique is also referred to as obliging and can result in quick resolve and being viewed favorably by the opposition [51].

9.2.2.6. Compromise

Compromise is similar to collaboration. The difference is that there is a high regard for self and opposing positions in the short-term, but not necessarily in the long-term [51, 52]. Compromise can also be termed bargaining or negotiating; [57, 67, 68]. It is often facilitated through an exchange and giving up one demand to secure another [49].

9.2.2.7. Authoritative command

Through this technique a formal authority dictates the solution [49]. Authoritative command can be viewed as forcing [57, 67] a win-lose scenario. This technique can be implemented by a leader, manager, group vote, arbitrator, court or other party [45, 49, 50].

9.2.2.8. Altering structural variables

Changing structure may be reflected in different group dynamics, roles, responsibilities, coordination tactics, new boundaries, or systems [45, 49]. This technique is closely associated with managing process related conflict [44, 45]. To execute this technique, a third-party may enable the change for better process or structure utilizing negotiations, arbitration, or mediation [58, 68].

9.2.2.9. Altering human variable

This technique is closely associated with relational conflict management [44, 45]. It involves using education, awareness, training, and other constructive means to change the attitudes of one or more conflicting parries, but may be the hardest to implement [49, 66]. Cognitive analysis, posited by [67], is part of this technique. Cognitive analysis recognizes that conflict resolution is based on human judgement, which can be inaccurate and inconsistent. Conclusions about an outcome on the surface can have deeper implications that are both different than what is expressed on the surface and hard to explain. This cognitive difference can be a source of team conflict through elicitation and representation [44, 67]. Cognitive analysis outlines a system to communicate and clarify differences in cognition [67].

9.2.2.10. Expanding resources

Expansion of resources may be the easiest technique to implement. If resources and means are available, making more of the scarce resource, that is causing the conflict, available to the parties involved enables a high sense of satisfaction to everyone [49].

10. Conclusion

10.1. Inter-group versus intragroup processes and adaptive leadership

Hempel et al. [69] highlighted research indicating that inter-group (external) and intra-group (internal) conflict are highly related. If a team is unable to manage inter-group conflict they are also less likely to manage intra-group relations, including intra-group conflict. Hempel et al. [69] pointed this out by stating "within-team processes can influence between-team processes". In fact, they went as far as to identify competition between groups often results in lower within group performance. This would seem counterproductive to typical motivational techniques that believe that competition yields a greater aggregate compared to no competition among groups. However, when viewing teams as CAS these research results make sense. In CAS, changes in one part of the system results in changes in the whole system. If the change in one system causes a large enough dissonance among other parts of the system this could potentially result in the whole system emerging as a different entity. In the case of managing a team's internal processes, including intra-group conflict, each team must be able to operate effectively internally prior to successfully operating among other teams, thus contributing to the whole organization. If one team is unable to manage its internal processes successfully, this could have drastic effects on other teams and, ultimately, the whole system—the organization.

Complex adaptive systems work both ways, small changes in one system (or sub-system) can affect the larger system just as well as changes in the environment or the larger organization can affect lower level systems. As Hempel et al. [69] indicated: "The way teams within the organization manage conflict with other teams influence how they manage their internal conflicts". Here, it is critical that managers provide the resources, tools, and freedom for teams to operate independently enough to manage their internal processes as well as providing the mechanisms that allow teams to manage among one another within the organization. Managers need to be aware of the modes of operation within and among teams and small groups to allow the overall system or organization to self-correct, to be adaptive.

Adaptive organizations are not heavily managed. If they were, they would not be able to react to external changes quickly enough. Adaptive leadership provides mechanisms for organizations to react quickly to external changes, offering a prescriptive approach for leaders to help their followers confront and manage conflict issues in complex and changing environments [70]. Adaptive leadership "focuses on the strategies and behaviors that encourage learning, creativity, and adaptation in complex organizational systems" [71]. Northouse [71] presented six behaviors for adaptive leadership:

- Get on the balcony: a metaphor for adaptive leaders to step away from the fray to gain a bigger perspective;

- Identify adaptive challenges: adaptive leaders focus on the problems that they alone cannot solve and require collaboration with others;

- Regulate distress: adaptive leaders monitor the stress that people are experiencing during times of uncertainty while helping them to recognize the need for change but not to be overwhelmed by it;

- Maintain disciplined attention: adaptive leaders influence others to remain focused with the task at hand despite the difficult nature of the work or the tendency to avoid it;

- Give the work back to the people: adaptive leaders empower others to take ownership of their work by allowing them to solve their own problems and take responsibility for both positive and negative outcomes;

- Protect leadership voices from below: adaptive leaders listen and are open to ideas from those who are in the minority in order to avoid group-think.

The authors identify adaptive leadership as one potential leadership style to better manage in today's complex environment. However, there are other leadership styles that may work just as well (e.g., complexity leadership theory, shared leadership). More research is needed to identify which types of leadership styles work best in complex environments, adaptive leadership is only identified here as one potential style.

10.2. Future directions

Complex adaptive systems are a composite of the interconnected whole that empowers teams and leaders to understand and address intragroup conflict in complex and adaptive situations. Future research relating to the five different intragroup conflict strategies presented in the current chapter is recommended. Currently, there is no study or instrument incorporating all five intragroup conflict constructs in the same study (task, relationship, process, cognition, status). This line of research could benefit the literature relating to small group and organizational behavior research in two key areas. First, a comprehensive instrument on intragroup conflict would be composed and validated. Second, this instrument would be utilized in future research efforts to better identify the effects of intragroup conflict on team performance as well as identify the impact that different leadership styles might have on intragroup conflict.

The taxonomy of team processes presented in the current chapter from Marks et al. [15] provides probably one of the best temporal models for teams. This model identifies the team transition, action, and interpersonal phases as a team works toward goal attainment. However, this model is essentially a linear model and does not address complexity and emergence. Future team process models are recommended to be developed using complexity theory to position the construct of emergence as a key outcome of team processes caused by the interactions facilitated by organizational leaders or managers. This is important to address because today's teams are more self-directed and achieve their outcome once emergence has surfaced. Current team process models are just beginning to incorporate emergence as a key team process. Better understanding of the antecedents to this emergence (e.g., interactions) will provide better utility for teams and organizations in the future.

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Conflict Resolution by Managers

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Additional information is available at the end of the chapter

Abstract

Conflicts occur in a variety of areas, not excluding the work life. Conflict resolution methods are essential for further development of the conflict in terms of its escalation or de-escalation. The proposed chapter focuses on the issue of dispositional vs. situational approach to exploring the ways of conflict resolution. Results of the presented research projects are based mostly on the theories distinguishing between five conflict resolution styles: avoiding, competing, compromising, accommodating, and collaborating. The chapter also includes the results of the research, in which an original methodology for identification and specification of the differences in the conflict resolution methods within various situational contexts was used. Model conflict situations were placed into three different environments (work, home, and among friends) and associated with two different conflicts (backbiting and false accusations). The results also confirmed the differences in use of the conflict resolution methods by managers both in terms of the environment in which the conflict occurred and the content of the conflict. Within the framework of these studies, gender-based comparisons have also been carried out confirming several gender specificities in the selection of ways to resolve conflicts between men and women.

Keywords: conflict, conflict resolution, manager, gender, situational approach

1. Introduction

Conflicts have been, are, and will be a natural part of our lives. An individual constantly responds to stimuli from the surrounding environment. If they are in conflict with their interests, there is a tension and hence a conflict situation [1]. In accordance with this consideration, conflicts are the reality of our life but some methods of their resolution or non-resolution, such as mutual insults, rudeness and violence, are not necessities of our lives [2].

Just as in the general view of conflict resolution in people's lives, also in the context of interpersonal conflicts, it is possible to specify their positive impact on human relationships and the social world of people as such. Rue and Byars [3] see this positive effect in a number of areas, highlighting the "dynamizing" aspect of conflict action and its resolution. Social conflicts mobilize communication, emotions, and behavior.

A productive conflict helps to clarify the issues at stake and plays an important role in the development of interpersonal relationships, social groups, organizations, and communities that are likely to be stagnant if they are trying to persistently prevent these conflicts [4]. However, the correct solution of the conflict also plays an important role in developing the personality of a particular person. That is why it is more important to pay attention to how the conflict should be managed than to prevent it. A major challenge in conflict management is, according to the aforementioned authors, to prevent and avoid the escalation of the conflict, or to exploit its potential for productive discussion. Eggert and Falzon [5] also pointed out the possible positive impact of the conflict, which is linked to a constructive conflict resolution.

2. Conflicts

Conflict research has a long tradition and was mostly incorporated into a model of more general concepts, which has also significantly marked its definition and exploration. Lewin's [6–8] understanding of the conflict is derived from the concept of field dynamics, or the living space of a person, in which forces of varying valency and level continually operate. When studying conflicts, Dollard and Miller [9] rely on the definition and specification of the approach tendencies and the avoidance tendencies. These tendencies increase with the approach to a positive goal, or to a negative stimulus. The interdisciplinary approach to the conflict investigation was pointed out by Keller [10], who specifies the view of the conflict in terms of ethological, psychological, historical, philosophical, mathematical, and sociological contexts and we could continue in the calculation of the scientific disciplines.

There are a large number of definitions of conflict, mostly influenced by the theoretical and methodological conceptual focus of the authors [4]. In general, they describe two approaches, or viewing angles of this issue. The first of these approaches is related to understanding the notion of conflict in terms of an apparent manifestation in the form of physical or symbolic confrontation, words, or activities between the opposing parties. The second meaning is related to the understanding of this concept in the sense of a conflict of interest and is situated within ourselves. It is represented by situations in which an individual experiences frustration when, for example, mutually exclusive targets cannot be achieved at the same time.

It should be noted that the aforementioned definitions of conflict are relative, as conflict of interest often produces a manifested conflict. In addition, conflicts of interest may produce additional responses, such as reluctance, reconciliation, and inactivity. On the other hand, the manifested conflict may also have other causes than conflicts of interest, e.g., perception of

value diversity, anger, and so on. Both concepts of conflict occur at all levels of society—from individuals, through small social groups, to large social groups [4].

In [2], authors argue with definitions of conflict that are based on awareness of the incompatibility of goals, or activities, or competitiveness. These definitions do not sufficiently take into account what is essential to human relationships, and these are the rules that define how people behave. The authors point to the fact that not all inconsistencies of goals, opinions, and interests are in conflict, especially in a situation where people have the opportunity to meet their needs differently, or if the importance of these factors is not a priority. People may have different opinions and without a significant influence on their relationships. However, these ideas do not exclude the fact that incompatibility of goals, activities, and interests may be the cause of conflicts. These conclusions are confirmed by [11], who argue that a conflict is more than a mismatch of interests or a difference of opinion.

3. Conflict resolution

Conflict resolution involves, in particular, the forms of behavior and mutual responses of individuals in a conflict situation [12]. In [13], authors emphasize a dispositional concept in conflict resolution, which is related to a certain form of solving the conflict. The conflict resolution form in terms of the dispositional concept is based on personality traits, power needs, affiliation, and so on.

It is also possible to examine conflicts and their solutions in terms of situational concepts. Rahim [14] describes a contingent approach according to which the individual conflict resolution styles are applied on the basis of an assessment of their adequacy in a particular situation in which the conflict arose. Antonioni [15] points out that not all individuals are able to always use the best style of solution within each conflicting situation.

When characterizing the basic concepts of ways of defining and resolving conflicts, it is essential to accept both points of view—disposition and situational. It is not possible to examine conflicts and ways of solving them in isolation from the situation in which the particular conflict arose and from the personality traits of the people who deal with these conflicts.

The correctness of such consideration is also supported by a number of researches in which attention has been paid within various contexts to analyses of the relationships among situational characteristics, personality traits, and behavior [16, 17].

In the background of these projects, a more general methodological problem is often discussed to address the question of how behavioral predictions can be made on the basis of knowledge of stable, dispositional, trans-situational characteristics that affect behavior regardless of the particular situation, or how that particular situation or a type of situations (their perception) modify the given behavior [18–21].

Authors of [22–24] define conflicts within two dimensions—interest in self and own needs, and interest in others. Each style of behavior in a conflict situation is thus a functional level of

utilization of these dimensions. These theories distinguish five main conflict resolution styles, which are: avoidance, rivalry, compromise, adaptation, and cooperation [25].

Conflicts occur in a variety of social contexts, not excluding the working life. Collins [26] argues that the occurrence of conflicts in the work environment is inevitable, and therefore it is desirable to learn to address them and try to exploit their potential benefits. If the conflict is not properly resolved, losses occur in mutual relationships, trust, psyche, and often also in an organization as a whole [27]. At the same time, however, it is necessary to point out that if managers are forced to spend much time on conflict resolution, they lack behind in other management activities.

Effective conflict resolution in an organization or business is currently considered a legitimate, inevitable, and positive predictor of effective organization management. It is crucial for business productivity. Conflict is an essential feature of organizational life [28]. The organization is a place where there are disagreements in opinions and goals, and where conflicts among people but also among groups are seen as a common phenomenon, which cannot be avoided by any organization. According to [29], conflicts are reflected in the organizational structure, rules, procedures, and management. A key factor in working with organizational conflict is its impact on improving the organizational environment. However, the conflict must be functional; its solution must be the result of creative procedures. Only in this way can the conflict contribute to the achievement of organizational goals. On the other hand, if the conflict is uncontrollable, it can have dysfunctional consequences [30].

In the context of conflict issues in general and conflict resolution in managerial work, the issue of how effective conflict resolution can be is tackled in the forefront. The method of conflict resolution is essential for its further development in terms of the escalation or de-escalation of the conflict. However, this does not mean that there is no appreciation of the use of means to prevent conflicts.

Various theoretical and methodological concepts of conflict resolution methods are described in the literature. Even though these concepts correspond to certain theoretical and methodological bases, their common characteristic is in most cases to identify and specify individual attributes of the conflict resolution methods. In several publications, we can find the previously mentioned concept of Thomas and Kilmann [22]. In conflict resolution, in addition to the previously mentioned methods [22], there are styles such as dominance, positive vs. negative style, passivity, integration, delegation, mediation, negotiation, understanding, forgiveness, etc.

Irrespective of conflict resolution methods, Owen [31] recommends not to avoid conflicts, not take them personally, and take a neutral, emotion-free stance.

The ways of resolving conflicts can be discussed from different viewpoints. In several of our researches, we focused on the situational concept of conflict definition and ways of their resolution in the context of gender issues.

When characterizing the basic concepts of conflict resolution, it is clear as we have already mentioned that it is not possible to characterize, examine, and interpret this problem in isolation from the situation in which the particular conflict occurred and from the personality traits of the people who are actors of the conflict.

Conflict resolution is influenced by situational factors that have a strong impact on their character and quality. They also affect the attitudes and interests of conflict participants. The processing of a conflict strategy is dependent on a complex set of situational conditions. Changing these conditions also changes strategy selection. Callanan and Perri [28] provide a broad overview of situational factors that can influence the choice of a conflict processing strategy.

Reference [32] defines situational factors as a time and place of observation that do not result from personal knowledge (intra-individual) and stimulation knowledge (selection of alternatives) that have a demonstrable and systematic impact on the current behavior. These are the attributes of a decision, which affect the decision-making process and its results. Bercowitch and Jackson [33], in turn, speak of situational factors that affect the behavior and relate to all the social and physical conditions under which the process is proceeding. The situational approach, according to [34], emphasizes the elements of the situation that motivate people's behavior to resolve conflicts.

According to [35], the situational approach represents a specific emphasis on the impact of the situation on the choice of behavior and intra-individual changes over time. Behavior in a particular situation is unique, even though one has an own way of responding to situations. In accordance with [28], organizations should recognize that there may be a very large number of conflict-causing situations and should therefore create the right environment for a proper response to them, and the conflict itself would produce more positive results for the participating parties as well as for the organization itself.

4. Research on conflict resolution

In one of our research projects [35] dealing with conflict resolution by managers, we have attempted to identify the differences in the ways of resolving conflicts in different situations. The research file consisted of 52 managers (29 top managers and 23 line managers), of which 28 were men and 24 were women. The average age of these managers was 32 years, and the average length of managerial experience was 9 years. Data collection was carried out in 2013 by means of the snowball sampling method.

In the research, we used the questionnaire method. The questionnaire contained two model situations:

Situation 1: Imagine that someone is backbiting and you learn about it. What do you do?

Situation 2: You have a feeling injustice because of being falsely accused of something. What do you do?

The model situations took place in three different environments (at work, at home, and among friends) and in each environment the respondent had to choose from five options to resolve the conflict situation (avoiding, accommodating, collaborating, compromising, and competing) that corresponded to the concept by [22]. The individual ways to resolve the conflict were judged by managers on a 6-point scale from 1 (definitely yes) to 6 (definitely no).

The difference in the preference of avoiding solutions in the backbiting situations and false accusations at work was statistically significant at the significance level of 0.001. Managers in both cases rejected this way of solving the conflict. The identified statistically significant difference depending on the situation can only be interpreted in terms of the degree of the expressed disagreement (**Table 1**).

The difference in the preference of accommodation in the backbiting situations and false accusations at work was statistically significant at the significance level of 0.000. In this case, the difference was also identified in the degree of the refusal of this conflict resolution method by managers (**Table 2**).

The difference in the preference of collaboration in solving these conflicts in the context of the work was statistically significant at the significance level of 0.002. This way of resolving the conflict was in the situation of backbiting rather refused by managers. On the contrary, in the situation of false accusations, they rather agreed. It should be stressed that in this case the differences are substantial, as the preference of this procedure is in a backbiting situation in the refusal direction, but in the accusation situation in the direction of acceptance (**Table 3**).

The difference in the preference of the compromise as one of the options for solving the examined conflicts in the context of work was not statistically significant (0.234). The differences in this strategy in both situations did not differ. Managers in both situations agreed to this conflict resolution process (**Table 4**).

The difference in preference of competition as a way of solving these types of conflicts in the context of work was statistically significant at the level of 0.000. In this case, the managers expressed their disagreement with this approach to resolving the given conflicts. The identified statistically significant difference is in the degree to which this method of conflict resolution by managers is refused (**Table 5**).

	Work: backbiting	Work: false accusations	t	p
Avoiding	4.12	5.04	3.628	0.001

Table 1. Situations: backbiting at work and false accusations at work—resolution method: avoiding.

	Work: backbiting	Work: false accusations	t	p
Accommodating	4.08	4.94	3.766	0.000

Table 2. Situations: backbiting at work and false accusations at work—resolution method: accommodating.

	Work: backbiting	Work: false accusations	t	p
Collaborating	3.79	3.25	3.204	0.002

Table 3. Situations: backbiting at work and false accusations at work—resolution method: collaborating.

	Work: backbiting	Work: false accusations	t	p
Compromising	2.23	2.00	1.205	0.234

Table 4. Situations: backbiting at work and false accusations at work—resolution method: compromising.

	Work: backbiting	Work: false accusations	t	p
Competing	4.71	4.10	4.015	0.000

Table 5. Situations: backbiting at work and false accusations at work—resolution method: competing.

The second environment in which we analyzed the preference of individual ways of resolving the conflicts examined was the family. Differences in the preference of avoiding, accommodating, collaborating, and compromising in terms of backbiting, and false accusations in the family context are not statistically significant.

The third environment in which we analyzed the preference of the different ways of resolving the conflicts examined was the social situation among friends. Differences in the conflict resolution methods of avoiding, accommodating, and collaborating between the types of conflicts examined are not statistically significant.

Statistically significant differences were found in the preference of the conflict resolution methods of compromising and competing (**Tables 6** and **7**).

The difference in the preference of compromising as a method of dealing with backbiting and false accusations was statistically significant at the significance level of 0.031. Managers preferred this solution in both types of conflict. The statistically significant difference found can be interpreted in terms of a different degree of acceptance of this conflict resolution procedure. Moreover, this way of conflict resolution in the context of friends is preferred by managers in the case of false accusations rather than backbiting (**Table 6**).

The difference in preference of competing as a way of solving the given types of conflicts was statistically significant at the significance level of 0.041. In addressing both types of conflict, managers have been slightly opposed to this solution. The detected statistically significant

	Friends: backbiting	Friends: false accusations	t	p
Compromising	2.21	1.90	2.217	0.031

Table 6. Situations: backbiting among friends and false accusations among friends—resolution method: compromising.

	Friends: backbiting	Friends: false accusations	t	p
Competing	3.98	3.58	2.095	0.041

Table 7. Situations: backbiting among friends and false accusations among friends—resolution method: competing.

difference can be interpreted in terms of a different degree of refusal of this conflict resolution process. This way of conflict resolution by managers in the context of friends is denied to a greater extent in the case of backbiting rather than false accusations (**Table 7**).

The presented findings relating to the differences in the preference of the individual ways of resolving conflicts between the situations of backbiting and false accusations markedly indicate the situational approach in defining the theoretical-methodological concepts of conflicts and ways of their resolution [28, 32]. Acceptance of the situational approach is confirmed by the differences in the preference of the individual ways of solving the conflicts examined in terms of the three settings (work, family, and friends), within which the analyses were carried out. In addressing these conflicts, managers clearly preferred a compromise solution and, to a certain extent, took into consideration also the context of collaboration. The situational context was most pronounced in terms of preference for the conflict resolution method of competing. At the same time, it is important to point out that the necessity to think about the situational approach in terms of conflict resolution methods was most evident in the work context. Interestingly, in dealing with these conflicts, the difference in the preference of compromising was reflected in the context of friends, but did not appear in the contexts of work and family.

5. Research on gender issues in dealing with conflicts

In addition to the situational approach, we have focused on gender issues in a number of studies of managers in the context of exploring the conflict resolution methods. Gender issues are one of the typical research problem areas in various fields of knowledge. Gender issues are focused on in almost every discipline that deals with human behavior, cognition, society, and culture [36]. According to [37], the gender topic has a key dimension in personal life, social relationships, culture, and we could also add the working life. We based our approach on the concepts of gender as a social construct [38], with an emphasis on gender roles, gender identity, and expectations connected to gender [39, 40].

In the chapter, we present the results of the research, in which the ways of solving the conflict situations were investigated by means of Thomas-Kilmann's TKI questionnaire [41]. This research was conducted on the sample of 114 respondents, 68 female managers and 46 male managers, aged from 18 to 55 years, working in the areas of trade, services, production, and education. The average age of these managers was 29.13 years, and the average length of their managerial experience was 6.11 years. Data collection was carried out in 2016 by means of the snowball sampling method.

Unlike the above analyses, in this case the dispositional (trans-situational) approach to conflict resolution has been accepted. Male and female managers assessed each of the questionnaire items describing five ways of conflict resolution (avoiding, accommodating, collaborating, compromising, and competing). The different ways to resolve the conflict were judged by the male and female managers on a 6-point scale from 1 (definitely not) to 6 (definitely yes).

Comparisons of the responses of the male and female managers confirmed the existence of statistically significant differences in the preferences of conflict resolution methods in terms of four styles (accommodating, compromising, competing, and avoiding) (**Table 8**).

The addressed female managers had higher scores in the conflict resolution methods of compromising and avoiding, and the male managers in the strategy of competing.

Female managers do not look for conflicts and therefore avoid them more often to maintain good interpersonal relationships. Tactically, they prefer to change the topic or ignore the problem. If the conflict cannot be avoided, they choose the compromise strategy, the basic idea of which is that the involved parties partially give up on what they wanted to achieve initially, and thus get something else out of their goals. This style, unlike collaborating (we did not find any statistical significance in it), however, often brings a much less satisfactory solution.

The third style, which female managers prefer more than male managers, is Accommodating that focuses on minimizing the conflict in order to preserve relationships. Women often sacrifice their opinions and goals in order to maintain good relationships with others.

The goal of the competing way of resolving conflicts, in which the higher scores were achieved by the male managers, is to win over others and force them to accept their opinions. This often escalates the already created conflict and increases the likelihood of conflict occurrence in the future. It is demonstrated by convictive techniques, using the position, power and influence, imposing suggestions on others, assertive and aggressive behavior. This style is adequate for the quick and vigorous decisions needed to achieve the best results. Several other studies have confirmed our findings that men prefer the use of a dominant style of conflict resolution, unlike women who prefer to avoid in conflict [13]. Women often try to mitigate the conflict using the strategy of compromise or the explanation of behavioral patterns. Men will use more physical strength to convince others [42].

Understanding gender roles in a conflicting interaction is based, according to [43], on the theory of communication differences. The authors refer to the research that shows that in

	Gender	M	t	p
Conflict resolution methods—TKI				
Accommodating	Female	3.64	4.053	0.000
	Male	3.11		
Compromising	Female	3.26	3.562	0.001
	Male	2.87		
Competing	Female	3.05	−3.759	0.000
	Male	3.73		
Avoiding	Female	3.38	4.158	0.000
	Male	2.67		

Table 8. Comparison of assessment of conflict resolution methods between female and male managers.

some circumstances there is a difference in the gender perspective of the conflict. Men tend to dominate and compete, while women try to compromise. The control over the conversation is in the hands of men, who lead it where they want. Women are expected to remain in the role of the listener. Also, Allhoff and Allhoff [38] affirm that women in mixed discussion groups speak less. Men take the initiative, direct the conversation, and do not like to be interrupted. On the contrary, women tend to support the debate, ask questions and show interest. According to [43], it is therefore efficient to give each individual, regardless of gender, the spectrum of communication behavior. Because, a conflict is usually about power and self-respect, the chance of its constructive solution thus increases.

As mentioned above, in defining gender issues as a social construct [38], emphasizing the gender roles, gender identity, and the expectations associated with gender [39, 40], it is crucial to pay attention to the relationship of work and family. In the context of the conflict between work and family, several researches focusing on work and personal satisfaction and quality of life were conducted [44, 45]. One of the most well-known concepts of the positive effects of the links between the workplace and the family areas is the work-family enrichment by Greenhaus and Powell [46]. By this term, the authors understand the extent to which the experience gained in the performance of one role will help improve performance and success in the other. In this case, it is the positive impact of solving the conflict of work and family. Positive work and family experiences contribute to higher well-being and consequently to greater life satisfaction. Even if these positive effects occurred only in one of the areas (work or family), they often perform a protective function against stress and possible failure in the other area.

Eby et al. [47] dealt with studies and research on conflict of labor and family relationships. They distinguished them into three groups: a connection with the work area, with the family, and the individual characteristics of the individual. The issues of work conflicts, pressure, tension and stress, unfair remuneration for work performance, time demands, high workload, and loyalty, have been at the forefront of discussions. Many work preconditions for enhancing the experienced conflict are the source of the aforementioned work-related stress [48].

In further research, conflict resolution analysis in the context of gender issues was, again, enriched by the attribute of situational approach. This research was carried out on the sample of 154 respondents, 78 female managers and 76 male managers, aged from 20 to 65 years, working in various economic areas. The average age of these managers was 31 years, and the average length of their managerial experience was 10 years. Data collection was conducted in 2015 by means of the snowball sampling method.

Through multivariate analysis, we analyzed the ways of dealing with conflicting situations from the viewpoint of the interactive impact of gender (male and female managers) and the work area (education, healthcare, trade, and production). One Way Scatter Analysis confirmed the F-test value of 2.050 and a statistical significance of 0.015. Further analyses concerned the interactive impact of gender (male and female managers) and the size of the organization (small business and big business) (F-test 2.253, statistical significance 0.055), gender (male and female managers) and age categories of respondents (18–34, 35, and over) (F-test 2.533, statistical significance 0.033). These F-test values indicate the existence of statistically significant

interactions between the family and the investigated factors (work area, size of organization, and age category) in assessment of the conflict resolution methods. Statistically significant interactions are shown in **Figures 1–3**.

A statistically significant interaction in the analysis of the conflict resolution method—Collaborating (F-test 2.037; p = 0.001) was demonstrated among the male and female managers working in the fields of production and education (Tukey Post Hoc Test 0.049). School managers use cooperative strategies more often than managers in the field of production. Male managers use less of this strategy than women, and that is true mainly for the managers working in production (**Figure 1**).

The statistically significant interaction in terms of gender and work area in the conflict resolution method of accommodating (F-test 2.030; p = 0.050) was demonstrated among the male and female managers in production and healthcare (Tukey Post Hoc Test 0.050). The female managers from production as well as healthcare use the accommodating conflict resolution strategy almost equally, unlike the male managers. These differ in the fact that healthcare managers are more adaptable than managers who work in the field of production. They use less accommodating than the female managers in a given sector (**Figure 2**).

A statistically significant interaction in terms of gender and the work area was also observed in the way of dealing with conflicting situations—Competing (F-test 2.331, p = 0.002). In this
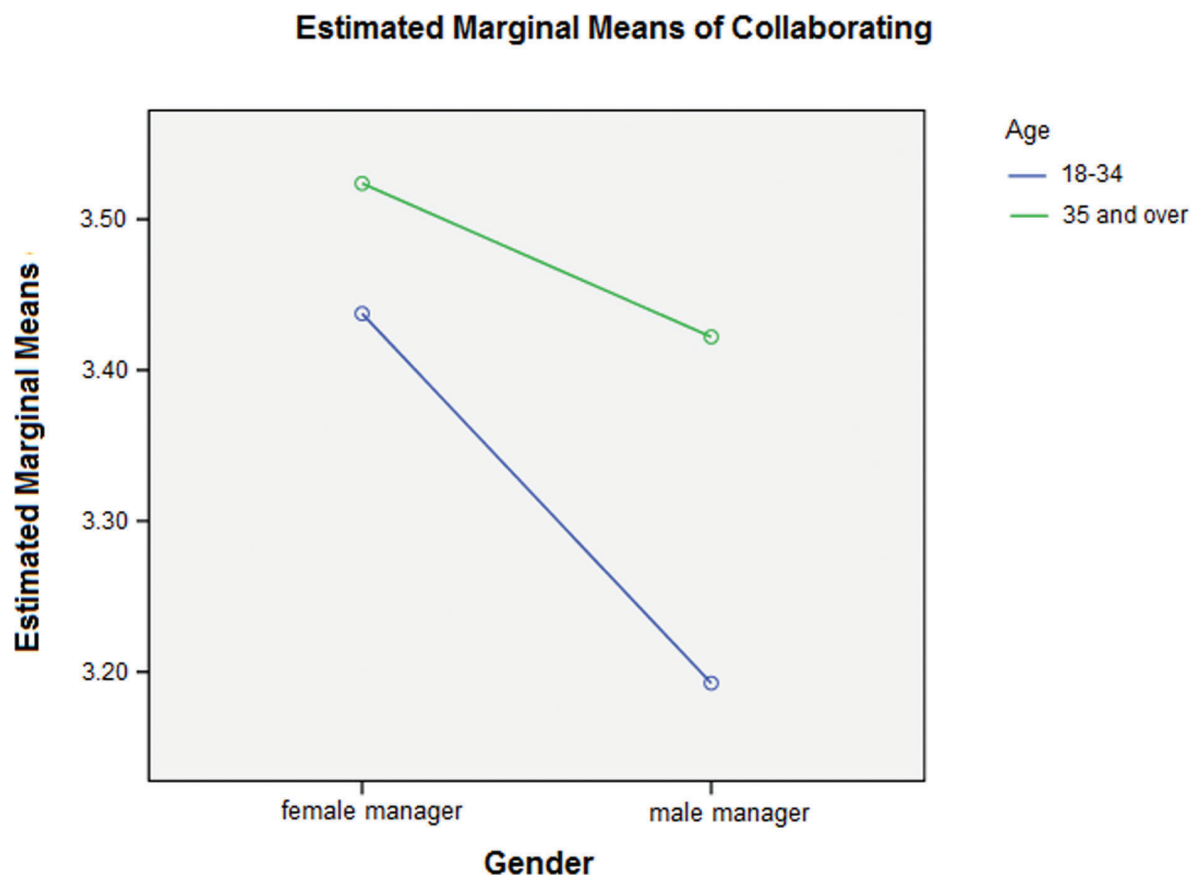

Figure 1. Multivariate analysis of perception of the strategy collaborating – gender × working area.
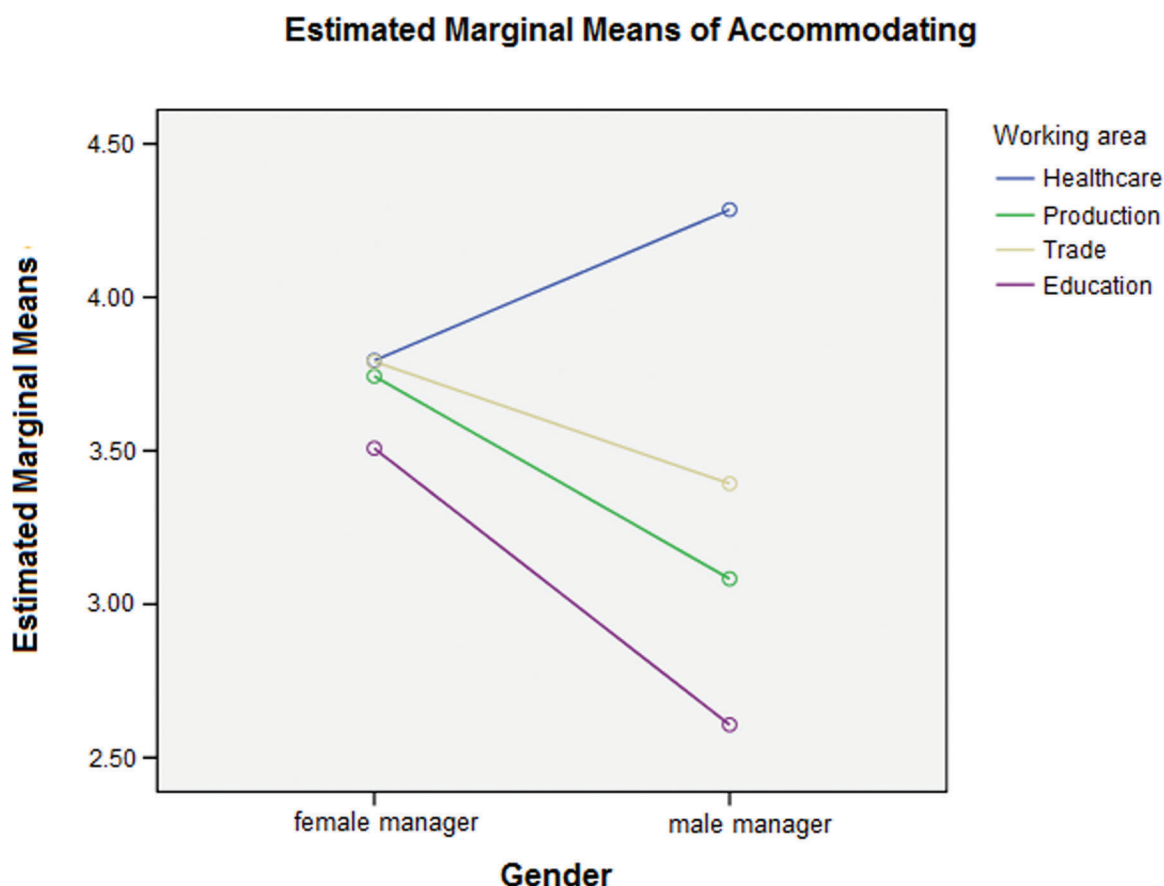
Figure 2. Multivariate analysis of perception of the strategy accommodating – gender × working area.

context, several significant interactions have been identified, in particular among the male and female managers in the field of healthcare and education (Tukey Post Hoc Test 0.007), healthcare and production (Tukey Post Hoc Test 0.026), trade and production (Tukey Post Hoc Test 0.004), as well as trade and education (Tukey Post Hoc Test 0.001).

Healthcare female managers are using this way to resolve conflicts more often than the female managers in the areas of trade and production. On the contrary, the male managers in the healthcare sector use competing less than the male managers in production and trade. This is the most effective method of conflict resolution used in the field of education. Even the education managers use it more than the trade and healthcare managers (**Figure 3**).

Significant interactions were recorded also in the context of gender and the size of the organization (F-test 2.253, p = 0.050) in the collaborating strategy (Tukey Post Hoc Test 0.008), and it is recognized that the female managers are more likely to use the cooperative strategy in small businesses, as compared to women in large organizations and, contrarily, men in large organizations cooperate more intensively than the male managers in small businesses (**Figure 4**).

The conflict resolution method of collaborating has also proved to be statistically significant in the studied interactions of gender and the age categories of managers (F-test 2.033, p = 0.048), with this strategy being more used by older as well as younger female managers. It is interesting to note that the younger female managers prefer this strategy similarly to the older male managers (**Figure 5**).

Estimated Marginal Means of Competing
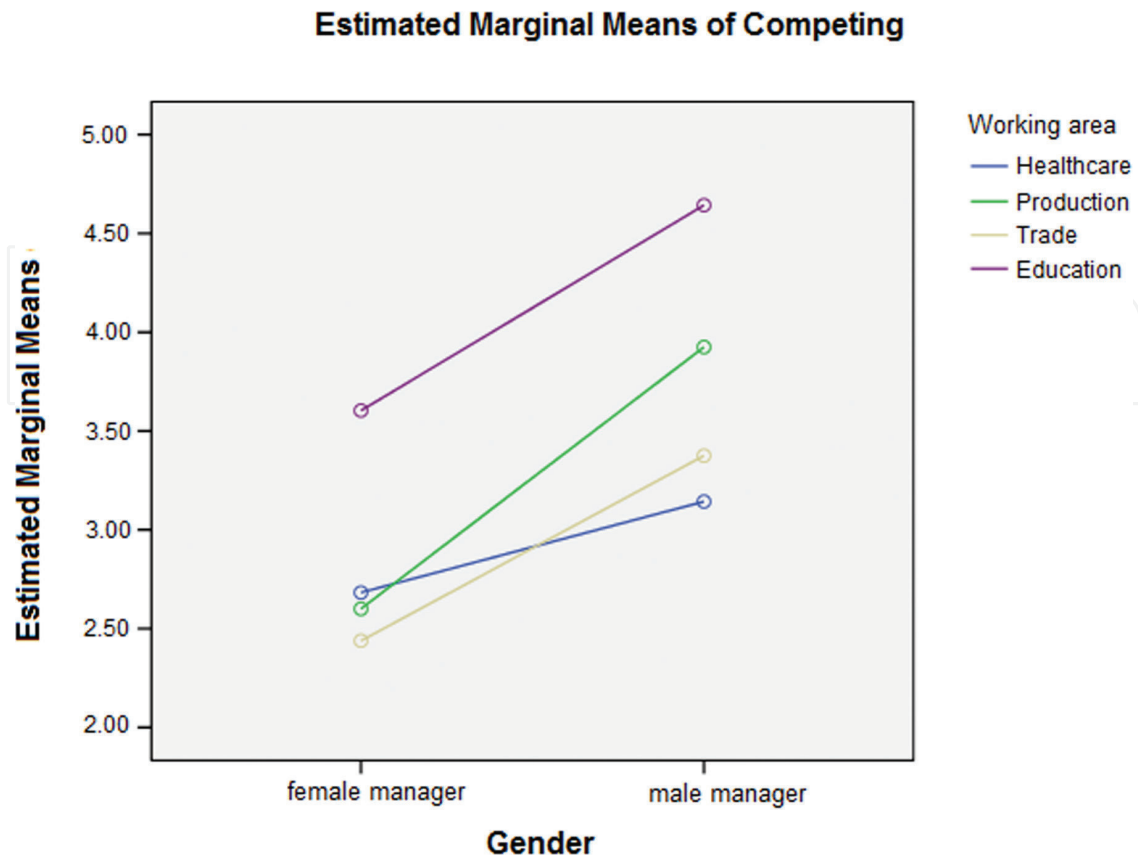
Figure 3. Multivariate analysis of perception of the strategy competing – gender × working area.
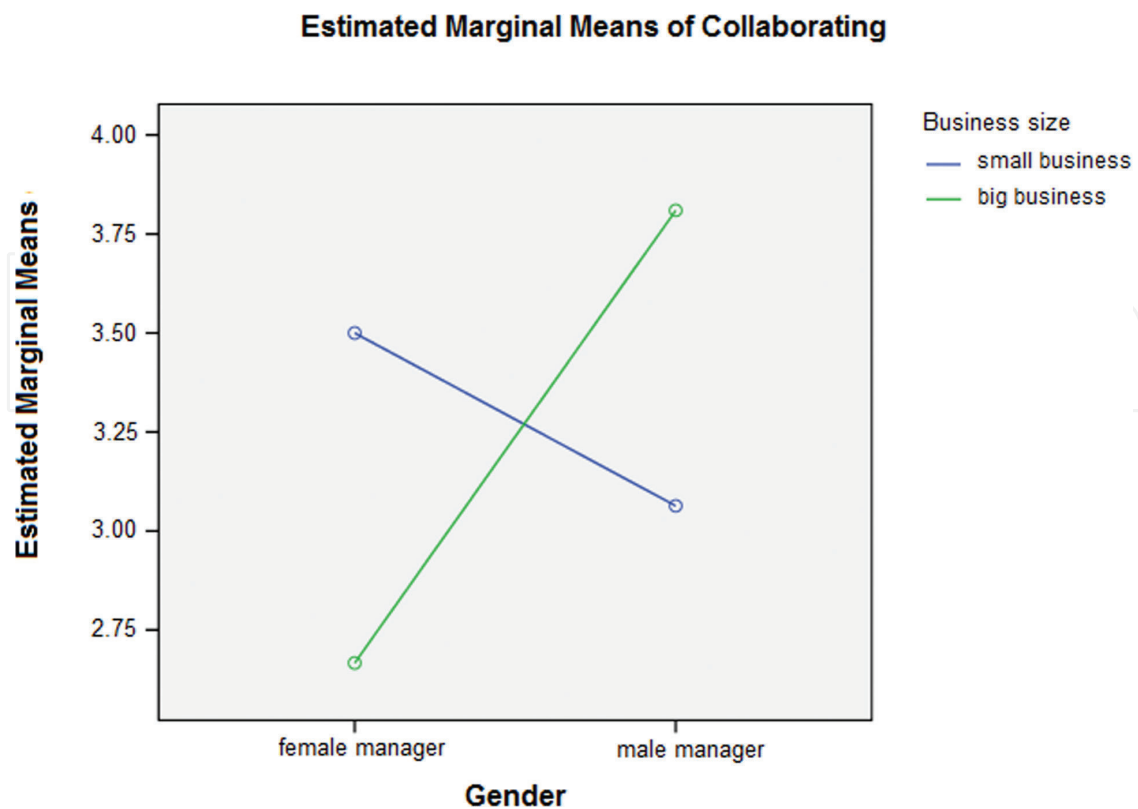
Estimated Marginal Means of Collaborating

Figure 4. Multivariate analysis of perception of the strategy collaborating – gender × company size.

The presented findings support the aforementioned concept of understanding gender as a social construct, with an emphasis on gender roles, gender identity, and family expectations in the context of conflict resolution by managers, as well as in terms of more general concepts of gender issues.

6. Conclusion

The identified and specified significant differences, as well as interactions, not only contribute to the discussion of the dispositional and situational approaches to exploring the conflict resolution methods, but also to a more general theoretical and methodological discussion of dispositional/situational concepts.

In this context, it is necessary to interpret the already presented findings that men prefer the use of a dominant, competing style of conflict resolution, in contrast to women who rather prefer to avoid the conflict [13], and that women often seek to mitigate the conflict by using the compromising strategy. Men use more physical strength to convince others [42]; they express their dominance and competitiveness. Women try to compromise [43], speaking less in mixed discussion groups. Men take the initiative, direct the conversation, and do not like to be interrupted. On the contrary, women tend to support the discussion, ask questions, and show interest [38].
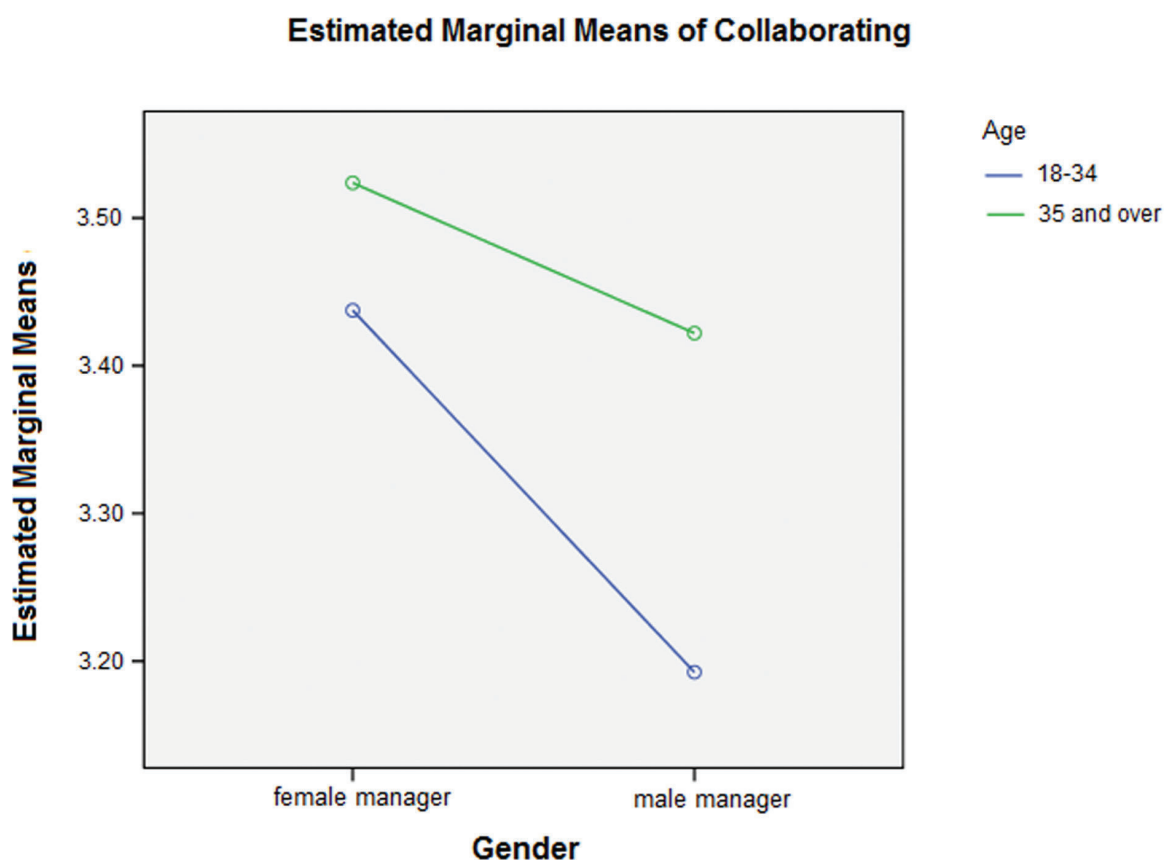

Figure 5. Multivariate analysis of perception of the strategy collaborating – gender × age.

It is clear from the above-mentioned research results that the level of generalization of certain claims in both dispositional and situational terms, as well as in the context of gender issues, is a question that can be discussed. In this sense, it should be noted that the mosaic of knowledge areas that are related to conflict definition issues as well as ways of solving them is much richer. In the context of research on conflicts in managerial work, which is a part of the study of organizational conflict, it is possible to consider the orientation of research projects in the direction of identification of cultural specifics, or the aforementioned discussion on the dispositional and situational concepts of conflict definition and analysis, or the impact of the conflict resolution processes and their outcomes on individuals as well as on the organization as a whole. This is also related to the discussion of the use of the interactive approach in designing the further research, analyses, and interpretation of the results of the study.

As mentioned in the introduction to the chapter [3, 4, 5, and others], the positive perception of effectively solved conflicts is characteristic also for the presented research results as well as the other possible directions of the conflict investigation. In this respect, it is important for the research projects to focus on the issue of identifying factors that are related to effective conflict resolution, or to the escalation of conflicts and their negative impact on individuals as well as on the organization.

In this sense, it is possible to direct the focus of further research to the process of building mutual trust between the conflicting parties. Examining the trust attribute, which must be perceived by the other side of the conflict as a pivotal step and not as a weakness, is one of the important research orientations in this area. In the context of managerial work, the selection of people for managerial positions, the preparation and training of managers, the specification of the factors related to effective conflict resolution is essential. These factors can be considered as important predictors of successful managerial work. Their research is, however, linked to the difficulties that are caused by the research sample itself—the managers, their job exhaustion, time stress, availability, but also unwillingness to reveal their conflict resolution procedures. The snowball sampling method, which we have used several times in the research, is one of the solutions to these difficulties within this context. At the same time, it is important for managers themselves to see the benefits of these research results for their work.

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Resistance to Change and Conflict of Interest: A Case Study

Cem Karabal

Additional information is available at the end of the chapter

Abstract

Change for organizations is a necessity. Today's businesses are aware of the need to keep up with the environmental changes and change demands. If the change process is not handled properly in the business, it will bring major problems with it. Every change will absolutely and definitely face resistance. Similarly, conflicts are considered to be inherent in organizations. The important thing is to prevent conflicts from taking over organizational interests. If conflicts arise in situations where personal interests constitute a source, it is an issue that needs to be discussed seriously. This study is intended to reveal elements that create a potentially resilient potential, in particular protecting personal interests. A case study method was utilized in the study. This method is preferred because it is appropriate to examine in detail the history, current situation and environmental functioning of a particular person or group and to obtain appropriate information in order to provide statistical methods. In particular, the case study, which reveals a reflection of the conflict of interest that is valued as a consequence of the functions of exchange resistance and as a consequence thereof, reflects the relationship between resistance and conflict of interest.

Keywords: resistance to change, conflict of interest, change, conflict, organizational interests

1. Introduction

An important part of organizational life is change. Without change, no business can survive in today's competitive environment. Modern managers are faced with permanent progressive technological change. The most important tasks are to initiate organizational change and to ensure that a new position is achieved by keeping it under control among existing business

structures. If they do not discuss the new methods, equipment and management policies, they can face with very serious moral and manufacturing problems [1].

The globalization of the markets in the 1980s and 1990s witnessed an unprecedented period of change, thanks to increased external competition and rapid technological movements. Strategic initiatives, mergers, acquisitions and operational initiatives have gained momentum in this process; applications such as just-in-time production, total quality management, process innovation and MRP have contributed to the change process. New requests coming to organizations in the control of these processes, the efforts to bring the performances of the organizations to the upper levels and new designs have provided the development of change management [2].

Organizational change efforts are often met with strength by people. Although managers are aware of this resistance, they do not make too much effort to understand why and how they will be handled. One of the most important problems encountered in making changes in organizations is to manage resistance to change and handle it correctly. Resistance to change emerges in different and unexpected ways [3]. Resistance to change is like a pain. It does not say exactly where the error is, but it allows you to understand that it is a problem [4]. However, the resistance to change must be perceived as reasonable. This is natural, and a change that is essentially not encountered with resistance should not be considered as natural [5].

Similarly, conflicts are considered to be inherent in organizations. The important thing is to prevent conflicts from taking over organizational interests. If conflicts arise in situations where personal interests constitute a source, it is an issue that needs to be discussed seriously.

This study includes a relationship between resistance to change and conflict of interest. The main goal of the research is to see how these two parameters will interact in the change process. I believe that conflict of interest is a very important issue but we could not see it in the literature as a scale or in relation with other factors. From this point, the aim of this study is to draw attention to the issue.

2. Resistance to change

Why do people show resistance to change? According to Caruth et al. [1], the reason for resisting the changes made to employees' work conditions is due to a variety of reasons, such as their individual personality. While some respond positively, others may get angry. Starting from this, resistance to change submitted by the administration, the resistance shown by the nature of mankind (generally people do not like change) and resistance about fears and threats (fear of unknown, reduced job security, suffering economic loss, reduced job status, change in work-group relationships) have divided the reasons in two main groups [1].

Change is considered an annoying phenomenon because of the necessity of departing from known with the deterioration of the status quo and anticipation to give up; resistance to change can be assimilated to friction in physics. As it is necessary to apply more force without friction to move an object, it is necessary to apply force to change with regard to people [6]. Managers and employees detect the change in different ways. While senior executives see

change as an opportunity to overcome problems and improve their careers in a positive sense, middle-level managers do not welcome well the change very much. Change is destructive and unexpected for them, and this can disrupt the balances [7]. Resistance resulting against change can be assessable as a destructive force working in the interests of competing firms [8]. Kotter and Schlesinger stated that managers should be aware of four common situations in which people are motivated to show resistance to change. These are [9]: narrow interest, misunderstanding and lack of trust, different evaluations and low tolerance for change.

Caruth et al. [1] suggested that people with varying degrees of resistance would show it in three different ways. These are carried out directly as attacks, secret attacks and passive behaviors [1]. Resistance to change can be realized individually or organizationally. The signs of individual resistance are usually complaints, mistakes, anger, indifference, withdrawal, absenteeism to work due to health reasons and stubbornness. As for that, organizational resistance is work accidents, increase in compensation claims of employees, increasing absenteeism, sabotage, increase in expenditures due to health and decreasing productivity, and these are only some common signs [10].

Koçel lists the events that cause people to show resistance to change in reasons regarding to the business, due to personal reasons and for social reasons [6].

2.1. Function of resistance to change

While resistance to change is performed individually or in groups, it can also appear in open or hidden forms. What is important here is the fact that there are individuals at the beginning of resistance. Even the emerging resistance in groups is realized as formal or informal structures strengthened by the gathering of individuals.

When the causes of change resistance, which are revealed by various researchers and partly seen as a repetition of each other, are considered together, the factors that constitute resistance to change are mainly expressed under six headings. They are personality traits of individuals, which are emerging as uncertainties about whether they will bring change or take it, insecurity against oneself or those who perform change, an interest appraisal resulting from the changes that will take place between the current situation and the future situation, commitment to past experiences and group-effect result.

2.1.1. Personality

Individual differences, known as personality, are defined as how individuals think and behave in different situations [11]. Personality traits usually tend to be based on the emergence of personal hostilities, being disturbed on being guided, seeing as being excluded and on the edge of being thrown away with change, characteristic stupor, anger, personal conflicts, ignorance, lack of interest and the emergence of personal hostilities against those who make the change.

2.1.2. Uncertainty

One of the most important elements in the individual dynamics of changing resistance is uncertainty. People are afraid of unknowns and uncertainties [12]. The fact that those who

perform the change are not sufficiently clear, that the change is not fully explained and the uncertainties that occur with them can be listed as fear from the unknown, loss of control and concerns about the future and business.

2.1.3. Insecurity

In situations where the safety of individuals is threatened, sabotages occur [5]. Trust-minded thoughts such as insecurity, not being self-confident, being afraid of failure and misunderstanding against those who manage change or those who are part of it come under the heading of insecurity.

2.1.4. Loyalty to the past

Many studies pointed out that the mistakes in the institutional change process stem from the fact that past knowledge has not been abandoned [13]. Markets are places where experience is gained, but lessons are changed frequently. We must learn from the past all the time, but we do not need to worship it [14]. It is required that they should not be tied tight to the past for organizations to survive. Before the organizations try out new ideas, they need to discover that their old ones are inadequate and get rid of them [15]. To give up knowledge of the past requires that you come from above the change barriers and that you re-evaluate the cognitive organizational competencies, circumferences, threats, opportunities, strategies and old ways of achieving success [16]. A culture of resistance to change developed with frustrations from the past during the change process, low tolerance for change, the difficulty of giving up on habits, the difficulty of learning new things, the disruption of well-known comforts, close-mindedness, old experiences, past performances and past mistakes can be counted as the causes of resistance to change, which can be ranked under the framework of commitment to the past.

2.1.5. Group effect

The concept of group dynamics refers to the changes and reactions that occur on any part of the group, the influence and reaction that the group members and the group make on the structure [17]. The group effect comes from the interactions between individuals and is shaped by the light of factors above mentioned. However, the relationship between group members influences strengthening these factors or changing their shape [18].

Groups are units formed in informal and formal structures within the organization. Disagreements between the aims of change and group norms and similar groups within the organization should take a negative attitude toward change, the possibility of deterioration of existing relations, the majority of group members support resistance, the probability of the group losing its disintegration or status, in short, the idea that change can change social interactions, can be regarded as the resistance dynamics that the groups to which the individuals belonging are exposed.

2.1.6. Valuation of interest

Every change means losing for someone [5]. In the new situation that the valuation of interest individuals will emerge with change, they are seen to pursue their personal interests and

evaluate their possible consequences. Generally, it can be listed as the causes of interest-based resistance of individuals who think like the expectation of unemployment, the possible increases in the current work load, the loss of status and the possibility that the material situation will change in the negative direction, which comes with technological change.

3. Valuation of interest and conflict of interest

Concept of interest is defined as the indirectly obtained profit, gain, benefits or the benefits that only one person provides for himself. The fact that it is a matter of interest requires that something related to the subject be requested; the fact that we have called it interest has the power to abolish even the strongest associations. The presence of such power results leads to the presence of a conflict.

Conflicts are one of the elements that can reduce or increase the efficiency, effectiveness, change and development levels of organizations and on the basis of which lies individual differences [19].

In a rapidly developing and changing world, because we call the invariance of change, non-homogenous social groups are being formed and it is inevitable that these groups are differentiated from each other. This situation creates a natural ground for conflicts [20].

Even if individuals or groups assume an agreement on the purpose of organization, the differences in unit-based intentions lead these conflicts to interests or priorities.

Individuals or groups on certain topics may have different interests. Any decision to be taken or a decision taken by a group may affect the interests of the other party. Along with such differences, the effort to expand the strengths of the organization's employees or groups can also be a major source of conflict [6].

The inevitability of the conflict is due to the three tendencies of the human being [21]:

- People's attitudes, beliefs, levels of knowledge and life experiences are different between them.

- These differences cause people to become self-centered and have difficulty in understanding the perspectives of other people.

- People usually tend to protect and bring their own personal interests into the forefront.

With regard to the concept of conflict, it can be said that the negativity state proposed in classical approaches is inherent in organizational structures together with modern thought. Even with proper management, conflicts are expected to have a very positive effect on disruptive outcomes [22]. While constructive conflicts encourage change and innovation, the conflicts that are being destructive bring out the interests of the parties, the negative situations that are brought about by the purposes of the organization [23]. In organizations where there are no conflicts, it is observed that the members of the organization are closed to change and innovation because of indifference and monotony [24].

Concerning the concept of conflict, it can be said that the negativity state which is proposed in the classical approaches is inherent in organizational structures together with modern thought. The encounter with resistance of a change process is considered as a sign of the beginning of change. Just as it cannot normally be mentioned from a change without resistance, it would not be right to talk about an organization that does not have a clash. However, the fact that the clerk has personal interests and elements that can prevent the company's objectives would have a negative impact on the change process and no contribution to corporate interests. Here, the moral and ethical dimension of work is prominent.

According to an international survey conducted in 300 large companies in 1987, it emerged that at the beginning, of the moral problems encountered in enterprises, employees think it is a conflict of interest [25].

Businesses have important principles to follow about their own behavior. One of them constitutes the basis of this principle that those who find themselves able to give themselves the image of a conflict of interest in relation to themselves or close family members, to declare it and to exclude themselves if there is really a conflict. A similar situation is declared by authors during academic studies.

Another element of conflict can be expressed as approaches against innovation and change. J. March and H. Simon, who analytically examined the causes of conflict in organizations, expressed one of the causes of the sources of conflict in organizations as conflicts arising from differences in perception. The source of this conflict is the source of information and opinions required by the innovations. In consequence of these, disagreements and conflicts arise because organizations are constantly open to innovations and exchanges, and the information, however, experience and flexibility required for performing changes are not perceived by some former administrators [17].

One of the stages of the conflict process is intentions. Intentions are among people's perceptions, emotions and open behaviors. Decisions of intent are decisions to behave in a certain way. In order to be able to respond to the behavior of the person, his intent must be determined. Many conflicts are growing by increasing the severity of the parties because one of them has attributed bad faith to the behavior of the other. There is often a difference between intentions and behaviors, so behavior does not accurately reflect the intent of the individual. Different structures of behavior depending on intentions are listed as competitive, collaborative, avoidant, harmonious and compromising. The way of behavior, which takes the form of competitive intentions, is expressed as the effort of one person to satisfy his interests without considering others [26]. The new qualities predicted by changing circumstances and the necessity of people playing different roles can cause conflicts. In particular, change-specific situations such as restructuring studies and transfer of undertaking are capable of generating significant conflicts.

It is a strategy that targets the personal interests that have no cooperation and have a destructive effect based on a win-lose approach and is maintained in a competitive environment. The application of the strategy of domination in conflict may cause aggressive behavior and sabotage by increasing tension between the parties. Instead of questioning the cause of the conflict, one side to applying domination to the other side to turn the situation into its own is the opponent's loss approach. People make an interest appraisal in the process of change. If the change that will take place is against their own interests, they can adopt a course of action,

a resistance decision, to create protection against it. They enter a conflict with a competitive intent and struggle for their own interests. The conflict that comes with the resistance decision will allow the conflict of interest to be staged in a visible way.

When we look at the literature, we could not find a study related to conflict of interest and resistance to change together. Resistance to change had used a lot of researches but literature hasn't got a scale of the conflict of interest. Therefore, the case study method is used in this study.

4. Method

The research has also been carried out in Istanbul, a company operating in the construction sector. Observes had taken record by assistant of the general manager and it includes a 1-year period. The case study method was utilized in the study. This method is preferred because it is appropriate to examine in detail the history, current situation and environmental functioning of a particular person or group and to obtain appropriate information in order to provide statistical methods. The event was dealt with by an observation technique and the most important feature of this technique is that the individuals who are observing are in their natural environment. Many behaviors can be identified and assessed in their actual state as long as the individual is in a natural environment; in other studies, it is known that the individuals studied do not behave as they are but rather behave or reply in a frame that they want to be, that the community wants to be or as they can be accepted by their surroundings. This issue stands out as one of the common problems of non-observational study techniques. Observations were made in a participatory manner and all the information was recorded in a systematic manner during the process by taking part in the event throughout the process. The actual names of the person subject to the case study and of the company are indicated by symbols on the specific requests of the persons.

The main questions to be answered in the sample case prior to study are mentioned below:

Q1: Do self-interests prevent the interests of the organization?

Q2: Do self-interests return to conflict between individuals or groups?

Q3: When individuals who make valuation of interests show resistance to change, does resistance to change be open or implicit?

Q4: Is it possible to break the resistance of people who have the potential of resistance through communication?

5. Case study

5.1. General information about the case study

XYZ Engineering Inc. is one of the well-known, recognized and trusted companies operating in the construction sector in Istanbul/Turkey. It has 30 years of history. In this process, hundreds of successful projects have been carried out and have created added value by employing

hundreds of people. On the basis of the sector/industry, the market demand is continuous, and an opinion and the work of the company show a positive trend. In parallel to these, the human resource has also increased.

Constructively, it is a family-owned business. Company partners are family members but soon, with the public offering, there will be a conversion to a structure that is now traded in the stock market. Company employees now constitute the professionals who are out of the family predominantly. The annual turnover of the company is 80 million dollars and it has 160 staff.

Operating functions are vertical organizational structures that are integrated with each other. It is involved in the case study; it includes the general manager of the company, the operation director, the purchasing manager (PM) and the finance manager (FM).

The abbreviations and explanations used in the case study are as follows:

- XYZ Engineering Inc. Case Study Company

- FM: Finance/Accounting Manager

- OM: Operations Director

- PM: Purchasing Manager

- GM: General Manager

5.2. History of case study

The company, which has been handling the stages of institutionalization more professionally since 2004, in order to be able to execute processes that are more integrated and manage all flows with a single software, decided to switch to a new ERP software in 2016.

In the present case, no integrated software was being used. While the finance department used its own software, the procurement department also carried out its activities with an autonomous computer program. As for that, the operation department has run processes from the proprietary software, with forms that are required by business-building methods and procedures.

Thanks to the software, project costs, procurement status, stocks, accounting records, communication between field staff, reporting and many more possibilities would be put into practice on a single platform, with all the business involved, including the relationships.

GM has pursued the study and demonstration of the related software himself and he/she was convinced that he/she would get all the flows he wanted, thanks to this software. Purchasing contracts for the software are over and an opening kick-off is applied. He/she did not want to think about the possibility of software failure; however, in parts where the employees cannot be involved in the process, the investment made would be a significant loss, and GM would not be able to give it to himself.

There had never been a similar study previously done in the company. GM knew that the process demanded change management and that change had given him the task of leadership Thus, he/she believed that it would make it easier to identify resistance and remove the obstacles.

GM gathered all the responsible persons before the software developers arrived to the company and held an informative meeting on the subject. By persuading meeting attendees to require a new writing transition and aimed to create a guidance coalition to support everyone to take over the project and get the best result for the company as soon as possible.

The shortcomings of the current situation during the meeting, the new situation, the convenience, the negative side of the software used. Everyone asked the participants to support the process and the purpose of the meeting was complete. It was then time to invite the ERP company to start the process.

The software was installed and the training process started. Integrations were created and new processes were established with separate participation of the departments. Everything went well in sight. All the employees had taken the directives and it appeared that they were doing their job. Nobody showed any sign of dissatisfaction. After 3 months passed, some reports from software developers were pointing to negative situations. Information from the finance department was experiencing delays.

The requested information was not given in time, the entries that needed to be done were not completed in time and the chronic records were constantly entered in the created records. Even simple information was prepared and delivered to the software for weeks. GM assembled a meeting to tackle the situation and asked FM to make a statement on the topic. The description is classic. Unit workers had begun to voice that the old software is more useful in informal meetings, and they defended the new writing. Even though he was aware of the FM situation that could not manage the process properly. The workers acted slowly, the work went on systematically and the FM did not wish to increase resistance by intervention.

GM, in consultation with FM, has reached the following result: He/she did not want to engage in combat with the FM team. GM gave some directives to him. He/she wanted to find out why his subordinates showed resistance. Under this resistance, he wanted to determine whether there was a situation that could directly affect his personal interests, such as fear of failure, not to give up on habits and to spend more labor in the adaptation process, and he wanted him to report the situation.

Similar problems began to emerge in the purchasing department. Since he/she used different software in this department before, he/she started to set new and old benchmarks, and this led to constant conflict with the software group. They were doing it easily in the old software but they could not do it in the software, and the discourse was intense and made an important intervention compulsory. In short, the purchasing department resisted.

GM also held a similar meeting with PM. Acting as if the issues are the same, PM was being stimulated like FM, and various directives were transferred to him. But there was a difference. GM noticed that the PM had taken the lead of this resistance and had channeled his own team in this direction. By making the implication that PM will directly increase their workload, that he/she spent time working on the negative side of the new software and was doing it clearly. Even under normal conditions, some activities carried out by FM would walk through the PM in the new process and this was not really in the interest of the PM. Moreover, this shift in the business division and the workload shifting from the FM to the PM have caused serious conflicts between the two units, and these two units, which had to work in co-ordination, had almost begun to enter the process on their own.

With regard to the operation side, there was another resistance profile. OM and its team did not use the standard software in the normal situation. They were running a process in the form of manual forms. Many times, they terminated the processes without filling these forms and then filling them backwards and leaving them open in the system. The new software did not give chance this comfort. All transactions had to be recorded via software when they were instant and when needed. OM and the team were not very keen on this issue as integration of new software restricted their activities in full liberty and it would require time to run this software. In addition, the necessity of opening purchase requisitions through the software emerged but the fact that they did not do it in a healthy way also created an atmosphere of conflict between the PM and OM. They also made choices and began to resist. But the resistance on the OM side is cryptic. It had not expressed clearly the utility of the software that is being made, as if it is being defended from the background and the software sabotaged.

5.3. Analysis of case study

GM has analyzed the whole situation and was aware of his attitude. There were organizational problems that could be clearly diagnosed medially. The most important of these is resistance to change. The others were negative conflicts among the groups. The worst of all told all units how important this software is for the organization. However, unit managers and/or subordinates put their personal interests in front of their interests.

GM has worked on identifying resistance sources and what they need to do to combat them. The drawing that emerges in the coming point and schematizes the conflict situation is shown in **Figure 1**.

FM and PM are in conflict because of the shift in workload. OM and PM are in conflict due to the same reason. This situation is a conflict of interest originating from intentions and it is following a competitive course among the managers. There is no strong conflict among OM and FM. In addition to these, they are criticizing the new software by highlighting the past software in order not to disturb FM and PM habits. OM wants to maintain the comfort of the old software. Also, in FM employees, by not learning the new software, there is also a sense of insecurity to themselves that arises from failure.

By acting as an example, the answers of the study questions are as follows.

A1: People usually tend to protect and bring their own personal interests into the forefront [21]. Self-interests get ahead of the interests of the organization. The interest appraisal has been conducted by PM, FM and OM and they have not considered the GM's share of the software's interest in the organization's interest.

A2: Self-interests have become conflicts between individuals or groups. The result of the evaluation of interest between FM and PM and OM and PM has come to an end.

A3: Recardo characterized overt and covert forms of resistance to change [27]. If the individuals making the valuation of interest show resistance to change, resistance to change
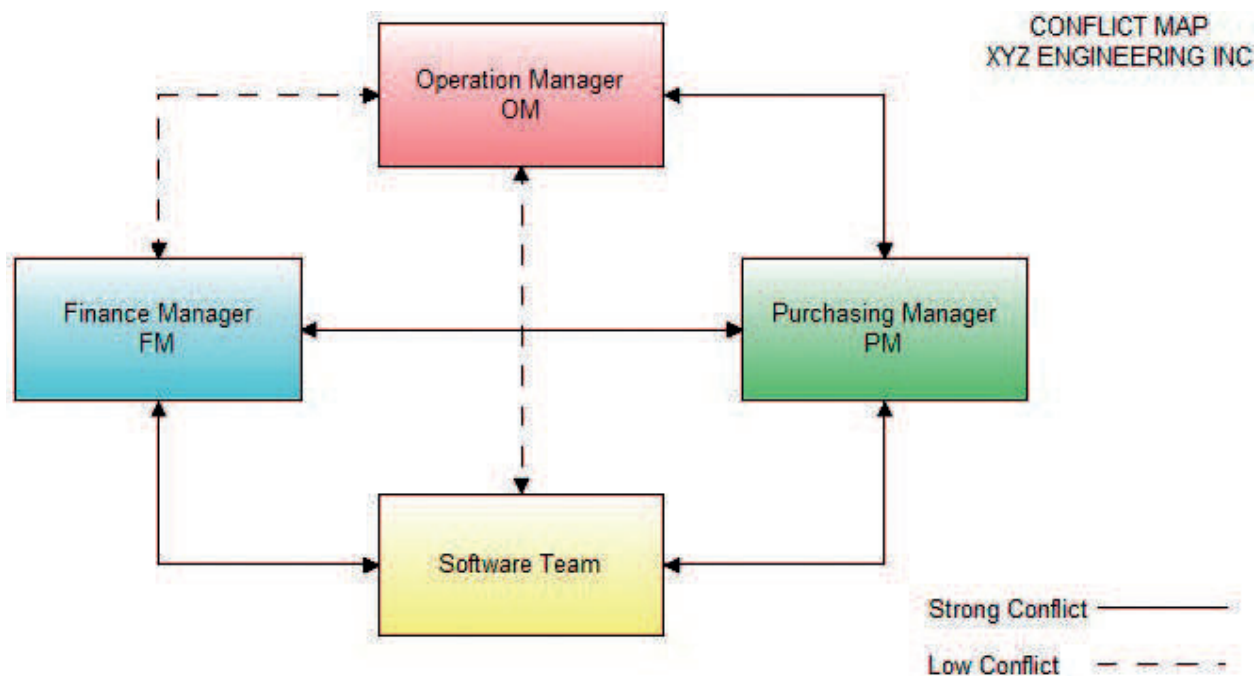
Figure 1. Conflict situation of XYZ Engineering Inc.

can manifest itself in open or implicit forms. In the case of the example, when PM acts in open resistance, OM shows implicit resistance because the PM is actually reacting to a workload not on the decline. This situation can be made explicit because it is seen as an injustice to her/him. However, OM will have to work harder by losing his/her comfortable position. He/she does not want to react by expressing it in terms of the moral dimension of work.

A4: Smollan emphasized the importance of communication [28]. Persons have potential resistance through communication that can be broken but since the sample event is at the beginning of the change process, it will not be very accurate to comment on this issue. Continuity of communication can solve this situation. The other source of insecurity and distrust of the past can be removed from this point.

6. Conclusion

Change for organizations is a necessity. Today's businesses are aware of the need to keep up with the environmental changes and change demands. If the change process is not handled properly in the business, it will bring major problems with it. Every change will absolutely and definitely face resistance: sometimes at the beginning, sometimes in the middle and sometimes in the last period, but the resistance must be handled and managed properly throughout the entire process. Determination of the functions that constitute the resistance of change the approach to the issue of the problem to be done in this direction, will facilitate

the solution of the issue. People show resistance for different reasons in case of change. This study is intended to reveal elements that create a potentially resilient potential, in particular protecting personal interests. During the course of the case study, different situations were encountered, and based on conflict of interest, they found their place in this study.

As it is seen and confirmed in the case study, people carry their own personal interests unfortunately in front of their organizational interests. This situation can be thought of as a reflection of professional life as well as lack of organizational commitment or organizational citizenship feelings. Businesses may take some measures to prevent employees from engaging in conflicts of interest. First of all, institutional citizenship may have a potential to overcome this situation. In addition, by establishing a more self-sacrificing culture within the organization, motivation for the people's support for organizational interests rather than their own interests can be provided. People can be encouraged to make their own internal evaluations in this respect by questioning the moral and ethical aspects of the situation; in this respect, individuals can reach more objective perspectives when evaluating their interests.

When we look at the individuals in the business, it seems that such conflicts and false positioning are more common where the ability to make objective assessments is not very strong. Along with false positioning, more ego and ultimately more interest demands are being encountered. Such mentality sets out a competitive intention in order to protect their interests naturally and is creating resistance to this process of change.

In particular, the case study, which reveals a reflection of the conflict of interest that is valued as a consequence of the functions of exchange resistance and as a consequence thereof, reflects the relationship between resistance and conflict of interest. In the further study point, by performing field studies in which both variables can be measured and analyzed, sample findings can be supported and/or new findings can be developed. Researchers should look over and observe other events in different companies and sectors (textile, food or chemistry, etc.). Thus, the amount of case studies will increase. Moreover, the scale of "conflict of interest" and its use for qualitative studies should develop.

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Conflicts as Springboard for Metallica's Success

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Additional information is available at the end of the chapter

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Abstract

The purpose of this chapter is to understand how Metallica has utilized conflicts in creating changes in the music industry and growing as the biggest heavy metal band of the world and sustained in this position for 25 years. The study was conducted as a qualitative and longitudinal case study. The study confirmed that conflicts have been a crucial factor in Metallica's success. The interpersonal conflicts and the conflicts between the band founders have been pivotal. The duo has competed and collaborated against and with each other, and this way urging Metallica to better achievements. The same type of action has extended to collaboration with other inner circle members of Metallica. Different kinds of conflict stimulation techniques have been used to increase conflicts. Many dysfunctional outcomes have also arisen but Metallica as a band has nearly always been above them. The ways of handling conflicts have changed during the band's lifecycle. In the introduction phase, competing was emphasized; in the growth phase, collaboration increased and in the current mature phase, compromising and accommodating have strengthened. Nowadays, Metallica is still a relevant band with huge number of fans, but the best creative power has run dry.

Keywords: conflict, conflict management, conflict handling, conflict stimulating, competing, collaborating, avoiding, accommodating, compromising, product lifecycle, personality, innovation, success factor, Metallica, thrash metal, heavy metal, music industry

1. Introduction

Conflict is an inevitable part of life. Individuals have their own opinions, ideas and sets of beliefs. They have different ways of looking at things and they act according to what they think is proper. Hence, people often find themselves in conflict in different scenarios; may it involve other individuals, groups of people or a struggle within their own selves [1, 2]. From traditional view, conflicts should be avoided because they result in negative dysfunctional

outcome such as low performance. The interactionist view proposes that conflict can be a positive force in a group but also necessity for group to perform effectively. This view encourages conflict because it provokes innovation and change. Groups, whose members have different interests and means tend to produce higher quality solutions to a variety of problems than do homogeneous groups [3, 4].

The conflict management involves doing things that limit the negative outcomes of conflict and increase the positive ones. When conflicts are constructive, they enhance relationships, create an environment for self-growth, enable individual, group and organization to achieve goals, solve problems and enhance self-esteem. Properly managed conflict also improves learning by increasing the amount of questions asked and encourages people to challenge the status quo. Conflict handling is an essential part of conflict management including five methods: competing, collaborating, avoiding, accommodating and compromising. Groups with collaborative conflict handling styles are usually more effective than groups with a competitive style. Compromise method usually prevent to achieving the best possible outcome, because it reduces the pressure to create new together [2, 4–7].

Conflict handling involves dynamics. When the parties of the conflict interact with each other, the intended conflict handling methods and outcomes may change. From this point of dynamism, there is already a lot of knowledge available. The dynamism has been studied much less in a longer period, that is, how the conflict handling and its outcomes change within the lifecycle of the product or organization. Lifecycle is divided into four main phases: introduction, growth, maturity and decline. To go through the lifecycle can take years or even decades—especially when the product or products are improved incrementally or radically. At that point we can talk about the lifecycle of the community or organization, where the vitality of the whole community in the long run is in focus. Radical product innovation means that new product lifecycle will take place, and causes discontinuity compared to earlier product lifecycle [4, 8–11].

The study tries to answer the following questions:

1. How conflicts can act as a springboard to create great success?

2. How conflicts are handled in a highly successful community during its lifecycle?

To focus on the phenomenon profoundly, the study concentrated on one single community. The band Metallica was chosen as the subject of the study. The criteria were that the band had been innovative in its sector by first creating a new genre, thrash metal, and by later rising to the world's biggest heavy rock band and keeping that position to this day. The band has sold approximately 110 million albums, and it holds a world record in the continuing number one places in Billboard 200. Metallica is like a large enterprise, which operates worldwide and employs a large amount of people, as well as manages its wealth and investments. Metallica has not gone with the rules of the music industry, but nevertheless or because of it, it has succeeded. Running against the wind has not been an easy way. Metallica has gone from one conflict to another. Its 36 year career includes changes in musical style, success and failure and conflicts that have almost led to the breakdown of the band [12–15]. Therefore, Metallica

case offered high success, long timespan and much dynamics regarding the conflicts to get answers the study questions. Furthermore, there was plenty of documented material available about the band, which provided rich research data.

The next section presents the research methodology, after which Section 3 concentrates on state of the art. Section 4 analyzes how conflicts have helped Metallica to succeed, but also what dysfunctional outcomes have resulted from conflicts. Research results are discussed in Section 5, after which the article is closed with conclusions and need for further studies.

2. Methodology

The study was conducted as a qualitative and retrospective longitudinal one case study to understand profoundly how conflicts helped Metallica to achieve "the best in the world" level and sustain it. Longitudinal study is a research design that involves repeated observations of the same variables over long periods of time. This study used existing data about Metallica over the period 1976–2017. The band was formed 1981, but its founders, Ulrich and Hetfield, were examined 5 years before, to understand their motives, backgrounds and intrapersonal conflicts. The study focused on the inner cycle of Metallica that included members of the band and a few outsiders who got inside the band. Conflicts were studied at intrapersonal, interpersonal, intragroup and intergroup level. During its career, Metallica has also had a lot of conflicts with external stakeholders, such as press, fans, record companies, other bands and producers, but these groups were limited out of the scope. This is because, in order to understand external conflicts, one must first understand the conflicts of the core group.

In the study, the narrative method was used that is appropriate when real life problems are examined. The goal of narrative and qualitative study is the understanding of the phenomenon. The study questions are mostly of the kind "what" and "how". The narrative study includes three main phases: narrative inquiry (narrative as data), constructivism (story construction from narrative data) and interpretivism (interpretation of story to understand the studied phenomenon).

The data sources used in the study included almost 3000 pages of text from biographies, newsletter, magazine, Internet articles and Metallica song lyrics, as well as 10 hours of video footage and audio interviews of Metallica. The data gathering concentrated on contents where the following words or expressions were used: conflict, anger, fight, battle, compromise, nervous, tease, pester, accommodate, aggression, hatred, avoid, collaborate, compete, harmony, debate, lose temper, get offended, arbitrate, negotiate, diplomat, challenge, different opinion, collision, disharmony, dispute, disagreement and agreement. In the analysis of the video footage, the attention especially focused on the scenes where emotions emerged. Research data were collected until the saturation point was achieved. This narrative inquiry phase produced 70 pages of narrative data concerning the studied phenomenon. After this, the constructed story presented in Section 4 of this chapter was created. Finally, this story was interpreted to answer research questions.

The conflict management, Big five personality model and product lifecycle were utilized as theoretical knowledge in studying how Metallica has succeeded in turning conflicts as a success factor during its life cycle. These theories helped in outlining, analyzing and interpreting the studied phenomenon.

3. State of art

3.1. Conflict management

Definition of conflict includes the different conflicts people experience in organizations, such as incompatibility of goals, differences in interpretations of facts and disagreements based on expectations. Conflicts can be classified into intrapersonal, interpersonal, intragroup, intergroup, intraorganization and interorganization conflict types [1, 2, 4].

Intrapersonal conflict occurs within an individual. The experience takes place in the individual's mind. Sources of these conflicts are thoughts, values, principles emotions, needs and motives. Intrapersonal conflict can be difficult to handle if person cannot decipher his inner struggles. It may lead to restlessness, uneasiness or even depression. Eventually, when an individual finds himself out of the situation, he can become more empowered as a person. Thus, the conflict evokes a positive change which will help him in his own personal growth. Interpersonal or intragroup conflict is an expressed struggle at least two interdependent individual within same group who perceive a situation differently or have incompatible goal, are competing for scarce resources, or perceive interference for other party in achieving their goals. Conflict occurs whenever disagreements exist in a social situation. People have varied personalities, which usually results to incompatible choices and opinions. Intergroup conflict takes place when a misunderstanding arises among different teams within an organization. This is due to the varied sets of goals and interests of different groups. This is also an example of intraorganizational conflict. Interorganizational conflict occurs between two or more organizations, for example, when they compete against one another [1, 2, 16, 17].

Conflicts may have negative/destructive or positive/constructive effects on performance of group. The first one is named as dysfunctional conflicts and the later one as functional conflicts. From the traditional view, conflict should be avoided because it indicates a malfunctioning within the group or organization. Conflict is seen as a dysfunctional outcome resulting from poor communication, a lack of openness and trust between people and the failure of managers. The interactionist view proposes that conflict can be a positive force in a group but also necessity for group to perform effectively. This view encourages conflict because it provokes innovation and change. It does not allow the group to passively rubber-stamp decisions that may be based on weak assumptions, inadequate consideration of relevant alternatives or other debilities. Groups whose members have different interests and opinions tend to produce higher quality solutions to a variety of problems than do homogeneous groups [3, 4].

When conflicts are constructive, they enhance relationships, create an environment for self-growth, enable individual and group achieving goals, enable problem solving and enhance

self-esteem. On contrary if conflicts are destructive, they result in stress, which may lead people to become more close minded and adversarial. Other outcomes are poor communication and information sharing, ignorance of other side's point of view, low trust and performance, fighting and even the destruction of the group. The conflict management involves doing things to limit the negative aspects of conflict and to increase the positive aspects of conflict. The aim is to enhance learning and group outcomes such as performance. Properly managed conflict increases learning by increasing the amount of questions asked and encourage people to challenge the status quo. The best projects and organizations have an invisible power among stakeholders, which helps in conflict situations. In the conflict management, the development of reactive and conciliatory methods is not the most important, but the development of the proactive dialogical culture for the work community. The better the latter succeed, the less the first one is needed [2, 4–6, 18–20].

Conflict may be related to task, relationship, process or status. Task conflict relates to the content and goals of the work. Relationship conflict focuses on interpersonal relationships. Process conflict relates to how the work gets done. Status conflicts relate to responsibility and power, and they occur especially in flat organizations. Studies demonstrate that relationship and status conflicts are often dysfunctional. In contrast, low levels of process conflict and low to moderate levels of task conflict can be functional. Moderate levels of task conflict in the early development stage can increase creativity in groups. Task conflict leads to positive outcomes only when all members share the same goals and have high levels of trust. Groups performing routine tasks that do not require creativity do not benefit from task conflict. Task conflicts may escalate into relationship conflicts. Contrary to the task and process conflicts, the relationship and status conflicts are not directly related to performing the group's function [4, 21–28].

Conflict handling methods have a central impact on the outcome of the conflict. **Figure 1** represents different methods using two dimensions: cooperativeness (the degree to which one party attempts to satisfy the other party's concerns) and assertiveness (the degree to which one party attempts to satisfy his or her own concerns). There are five conflict-handling methods: competing, collaborating, avoiding, accommodating and compromising [4, 7].

Collaborative conflict handling in group with common goals is more effective than competitive style. In the collaborating style, the pie is expanded so that different parties are satisfied (win-win), while in the competing style a party tries to get as much of the pie as possible (win-lose). The collaborating is suitable for long-term relationship while the competing applies to short-term relationship. When both parties are focused on learning and understanding the other side tends to yield higher overall outcomes than situations in which parties are interested in their individual outcomes. An open discussion makes it easier to develop a shared perception of the problems at hand and allows group to work toward a mutually acceptable solution. Shared goals should be emphasized, so people who disagree with each other do not become too entrenched in their points of view and start to take the conflicts personally. Compromise method usually prevent to achieving the best possible outcome from conflict, because it reduces the pressure to create new together. No one gets what they really want. Accommodating is an unselfish way to solve conflicts, and avoiding does not engage participants to solve them [4, 7].
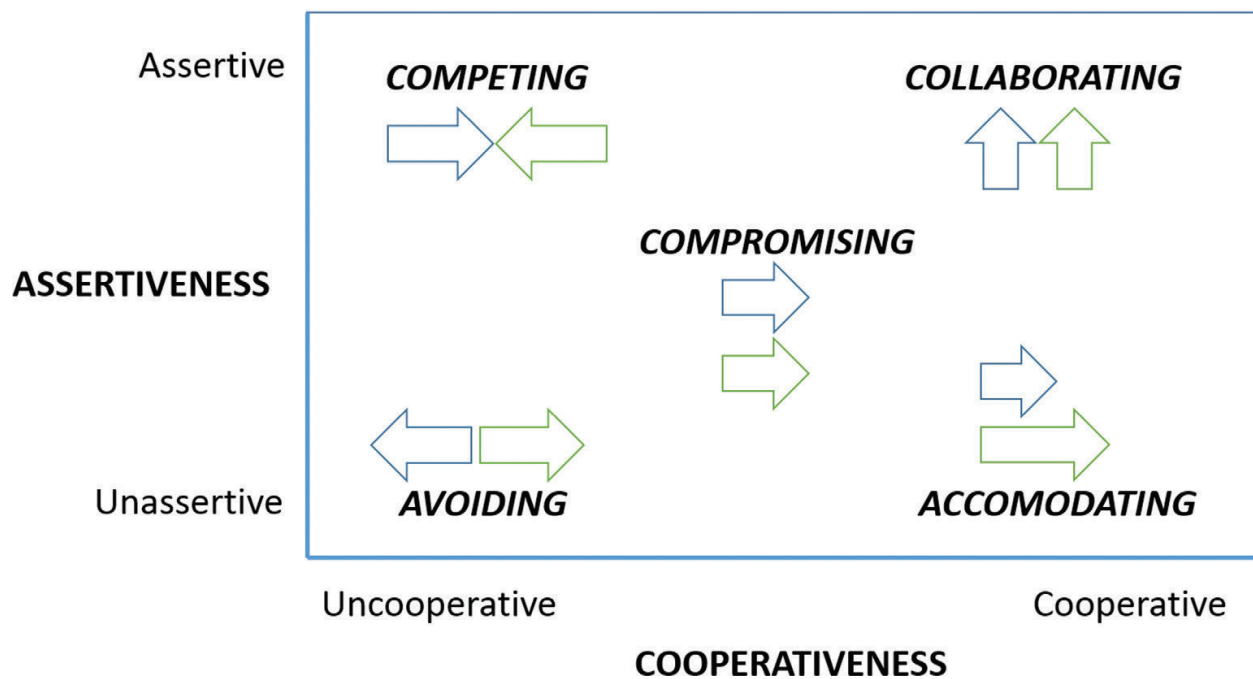
Figure 1. Dimensions of conflict handling methods [4, 7].

The conflict management has a dynamic nature, because stakeholders and their influence change over time. When interaction occurs between the stakeholders, the conflict handling method may change, when a conflicting party see the other's point of view or respond to the other's behavior. Furthermore, the conflict develops either to the functional or to dysfunctional direction. In best case, the conflict provokes innovation, and in worst case it escalates and become highly destructive. The most serious outcomes of conflicts are physical attacks or efforts to destroy the other party [3, 4, 7, 29–33].

Conflict stimulation techniques increase conflicts to improve innovativeness. Techniques include communication (using ambiguous or threatening messages), bringing in outsiders (adding people to a group whose backgrounds, values, attitudes or working methods differ from those of present members), restructuring the organization (e.g. realigning work groups, altering rules and increasing interdependence) and appointing a devil's advocate (designating a critic to purposely argue against the majority positions held by the group) [29].

3.2. Big five model: personalities that promote innovativeness

Psychologists measure personality with so-called Big five model (**Figure 2**), which includes the following factors: openness to experience, conscientiousness, agreeableness, extroversion and neuroticism. From these five factors, the innovators and revolutionaries have distinctive mixes of openness to experience, conscientiousness and agreeableness. Innovators must be open-minded. They can imagine things that others cannot, and so they challenge conventions. On the other hand, they are conscientious. Discipline separates them from dreamers. The decisive

thing is that innovators do not want to please others—in other words, agree with them. Instead of empathy and collaboration, they are selfish and even aggressive. Their thoughts and actions can cause deep disapproval in other people. Typically, people seek approval from others by pleasing them, while innovators cause a strong distortion to this harmony. They take social risks and even offend others' feelings [34–37].

3.3. Product and organization life cycle

The product lifecycle or S-curve (**Figure 3**) predicts the general trend that successful products or services will follow during their lifetime. It includes the introduction, growth, maturity and decline as stages. Usually, the most critical point is to reach the growth stage. Point of diminishing returns locates between the maturity and decline stages [8, 9].

Once a product has reached maturity it runs that risk of being discontinued by newer innovation or technologies. Since the previous product reaches a phase of maturity, there is an opportunity for a new product to appeal to the innovators that will start a new product life cycle and S-curve. New S-curve can be divided into two curves (**Figure 4**). Movement up an "S" curve is
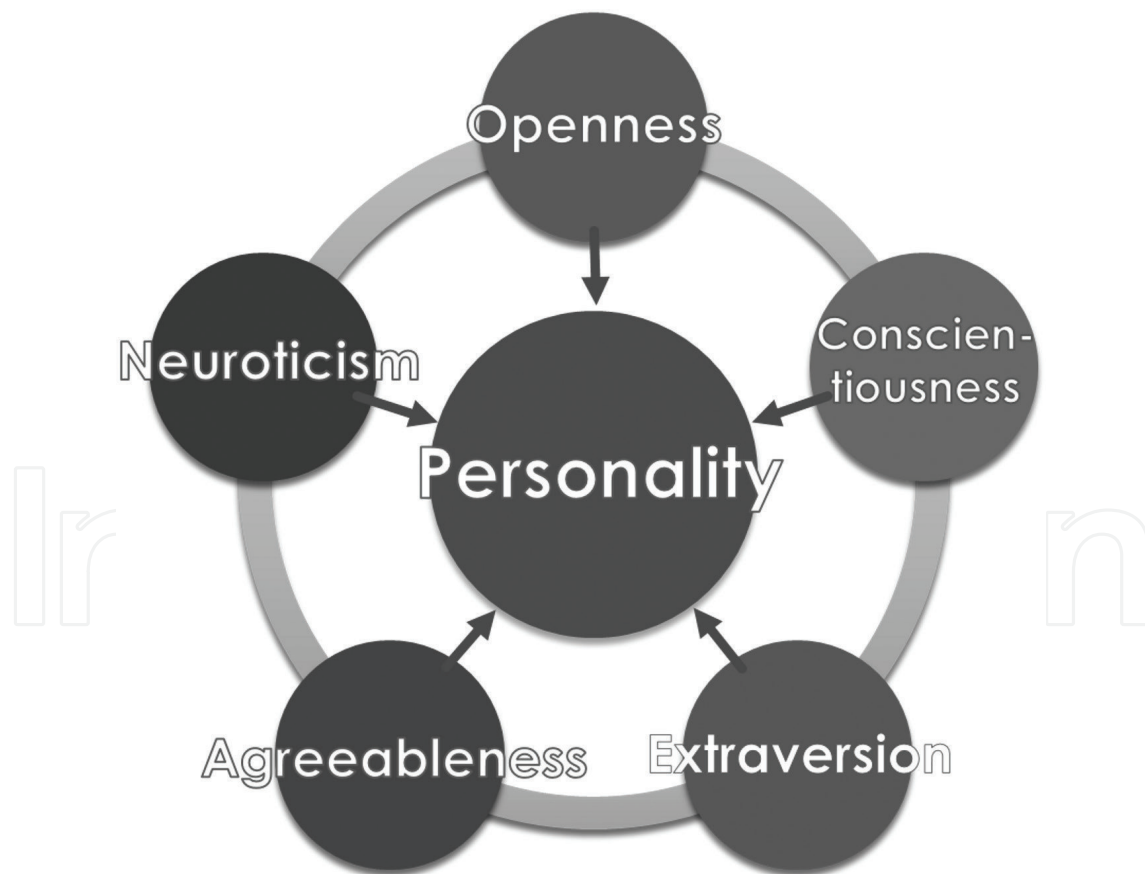

Figure 2. Big five model [34, 35].

sustaining or incremental innovation while stepping down on a lower new "S" curve can lead to radical or disruptive innovation, as the new "S" curve surpasses existing "S" curve. Compared to current business there is discontinuity [10, 11].
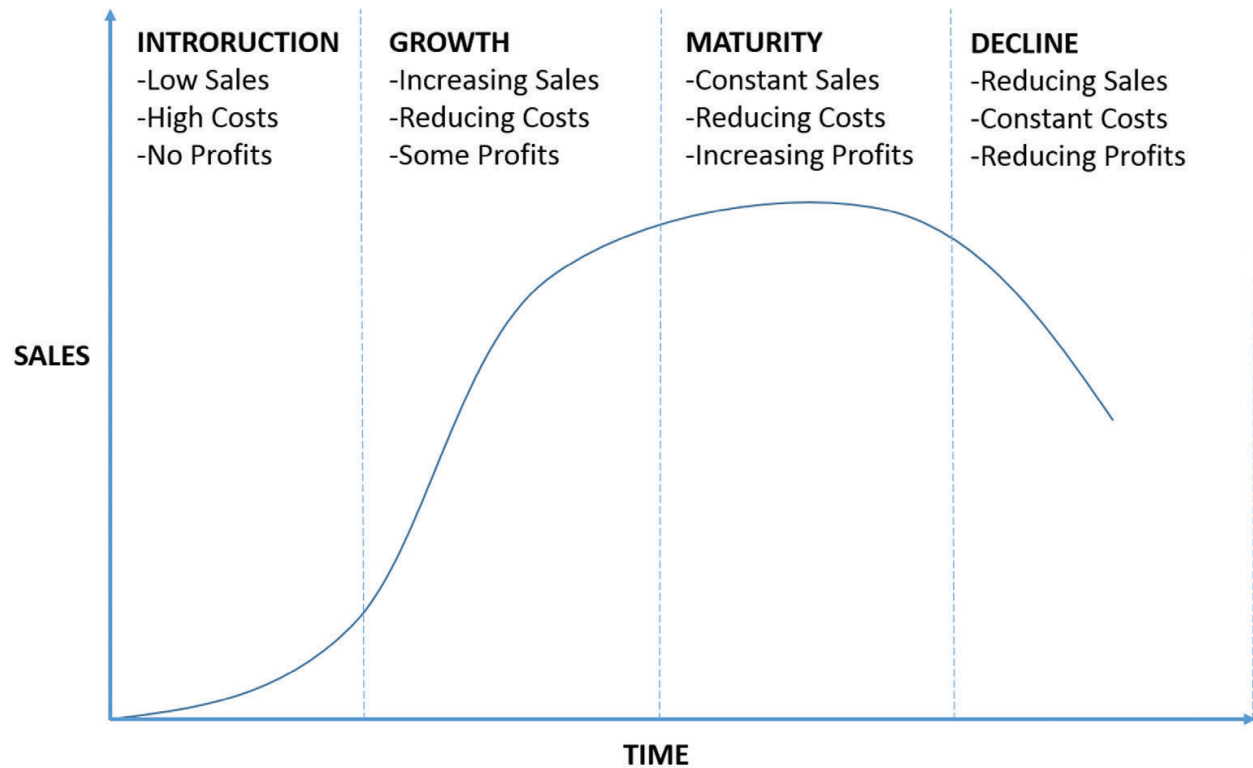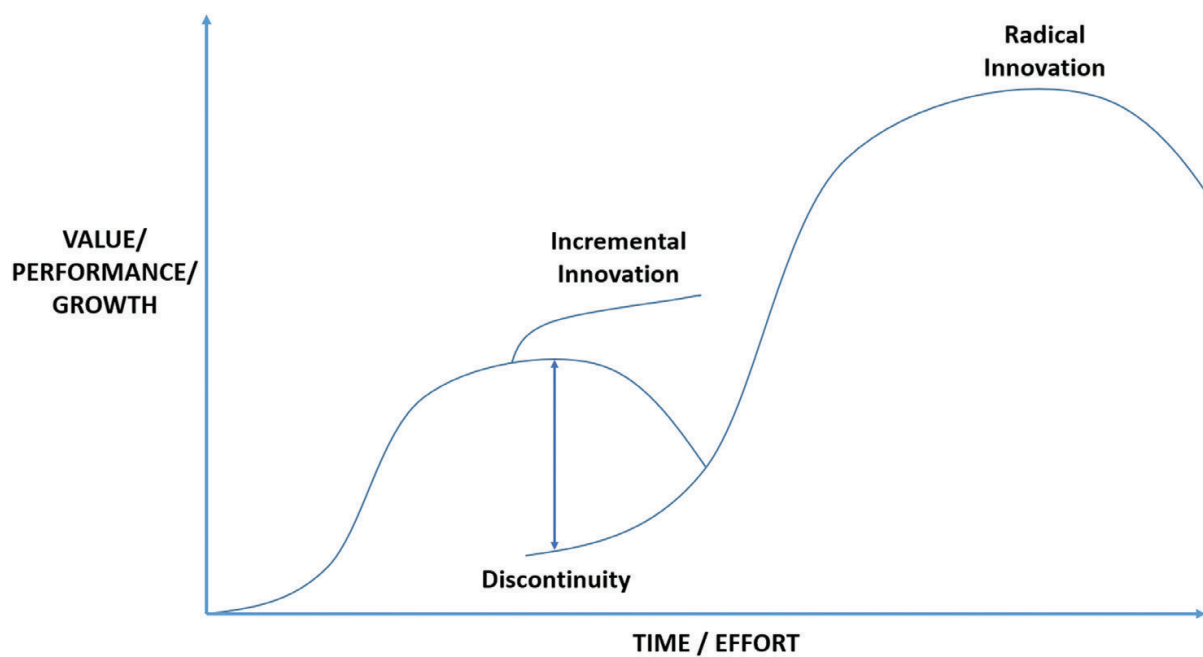

Figure 3. Product life cycle [8, 9].

Figure 4. S-curve of innovation [10, 11].

4. Case Metallica

Metallica is an American band that has sold approximately 110 million albums and is the world's most widely sold heavy music band. Drummer Lars Ulrich and guitarist James Hetfield founded the band in 1981 in Los Angeles and have been in the band all the time. The current lineup also includes guitarist Kirk Hammett and bassist Robert Trujillo. Other members of the band have been guitarist Dave Mustaine and bassists Ron McGovney, Cliff Burton and Jason Newstedt [15].

During its 36-year career, Metallica has released 10 albums, of which the latest, 2016 published Hardwired… to Self-Destruct rose to the top of the lists in 57 countries, was among the top 3 in 75 countries and top 5 in 105 countries. It means that Metallica is still a very relevant band. Metallica's music style has changed a lot during its career. The band started with their Kill'em All debut as a thrash metal band, and has been recognized to be the main contributor to this genre. In the 1986, the release of their third album, the Master of Puppets, the band became known to the general public, which meant that music magazines, managers and record companies became more interested in Metallica. After their …And Justice for All album, the band simplified and slowed down their music toward hard rock. This resulted in the 1991 Black Album, which made Metallica mainstream. It is the band's most successful album selling over 30 million worldwide. It was also Metallica's first album, which won the Billboard 200 selling approximately 600,000 copies in the first week. Until Black, the band's music sales went up by leaps, so the audience liked Metallica's changes. Even though some of the fans were lost as the band's music softened, they were replaced by new audiences. Controversial Load and Reload albums released in 1996 and 1997 sold well in comparison with other artists, but very little compared to Black's sales figures. After Reload, the band returned to its thrash and heavy metal roots with the releases St. Anger, Death Magnetic and Hardwired… to Self-Destruct albums in 2003, 2008 and 2016, respectively. During their career, Metallica has received nine Grammy Awards. In 2009, Metallica was nominated to the Rock and Roll Hall of Fame [12–15, 38, 39].

Metallica's rise to the top has not been easy. At the beginning of the 1980s, nobody was interested in the band that was against conventions of the music industry and the popular music of the time. Metallica was the underdog that lived outside the box. Nothing was given to Metallica on a silver platter. Many other bands surrendered by ending or adapting their music under external and internal pressure, but for Metallica, these struggles have been an asset to do their own business [12–14, 38, 40]. Although the band has been close to breaking down, it has created a success recipe by exploiting conflicts. Let us start from the intrapersonal conflicts of Metallica's founders, Lars Ulrich and James Hetfield, because the Metallica spirit arises from their internal interests, values and demons.

4.1. Ulrich's and Hetfield's intrapersonal conflicts

Metallica is especially about the dreams of Ulrich and Hetfield. Ulrich wanted to build the world's biggest band, and Hetfield wanted to get rich by making music. In the beginning,

these were distant dreams or more like jokes. They just wanted to set up a band and play their favorite music. They liked the same kind of music and worked hard for their passion. Furthermore, they wanted to differ musically from other bands. Both Ulrich and Hetfield want to control their own life. They are stubborn personalities that have also been called control freaks. Ultimately controlling has been one of Metallica's most prominent success factors. In addition to common features, the duo also has significant personal and background differences [12–14].

According to Ulrich, Hetfield was the only person in the United States who was inspired by the same type of music at the beginning of 1980s. In addition, Ulrich saw Hetfield's talent and passion for music. On the other hand, he regarded Hetfield as the shyest person he ever had met. Ulrich felt immediately the connection and thought they fit together because they complement each other. Hetfield did not warm up so quickly because of Ulrich's inadequate drummer talents, but he also understood they shared the same taste for music, and Ulrich's huge energy and great networks [12, 14, 39].

4.1.1. James Hetfield

Hetfield was raised to believe in Christian science, in which God cares for everything, and doctors are not needed. People started talking about him being different. Hetfield grew a silent child who wanted to be alone and forget about the surrounding world. He was a misfit and did not want to belong to any group. Listening to music and later playing it helped him. On the other hand, music also helped Hetfield to come out of his shell. It became his escape, therapy and rescue. He tells that without music he would probably be dead or in prison [12, 14, 41, 42].

James's father left the family in 1976, and his mother died of cancer in 1979 after refusing to believe the doctors and taking medicines. Hetfield's next of kin left him either by their own will or by their death. This increased his need to try to control things and people around him. Hetfield felt fear and hatred of authority because they could take control of him. He has admitted having the habit of suffocating his loved ones: Do not go anywhere, do not leave. Hetfield lost trust in people and started treating everyone as possible enemies. He was seen as a rude and stubborn introvert, who came out of his shell only when drinking. He did not want to talk about his own past, but his creativity came from internal anxiety. Hetfield was controversial even in the sense that on stage he was fierce and extroverted, but very cautious outside the stage. His stage persona was his protection and security. He could hide behind it. Later it became clear that alcohol had greatly contributed to this, but at the same time gave him the wrong feeling of power. Hetfield had a lot of unsolved stuff from his childhood and he started to live again as someone else [12, 14, 38, 41–45].

At the beginning, Hetfield thought that he did not have the voice, appearance or charisma needed by the lead of Metallica. This could be influenced by the extroverted, social Ulrich and guitarist Dave Mustaine, who left Hetfield in their shadow. The band was looking for a new singer until Hetfield's self-esteem began to rise in 1984 with the release of the gig and record

sales after the release of the second album, Ride the Lightning. Everything else but the music was of little interest to Hetfield—for example, he could fall asleep during a business negotiation. Even though Hetfield had advanced ideas, in many things, he was seen as reserved and even conservative [12, 41, 46].

To better understand Hetfield's personality let us look at Metallica's lyrics that are mainly written by him. The lyrics usually tell a story from an individual's point of view—a small man's struggle with the government or some other oppressor. In Metallica's debut, Kill'em All 1981, the lyrics of many songs emphasize the power of the negative feelings and the attitude of winning. Ride the Lightning album's songs, declare "we ordinary people versus those faceless politicians" and "freedom versus dictation". The corresponding themes are also present on the Master of Puppets and …And Justice for All albums. Until the Black album, Hetfield told stories in the third person, but after that began a more open and honest self-study line. In Load and Reload albums black and white, right versus false, and I know-it-all attitude toward life began to soften. Hetfield tried to find the roots of hatred and its consequences. He told that anger was still a big part of his life—and that it is easier to find things to hate than to like. Hetfileld's personal emotional reflection continued in lyrics of St. Anger's 2003 release. He sings that anger is both a positive and negative thing. In 2008, with the Death Magnetic album Metallica returned to its roots, that is, to say to the 1980s music and the 1990s lyrics, namely handling life and loss as the sources of anxiety and terror. Even the latest album, Hardwired … to Self-Destruct, released in 2016, is a very dark-hearted journey to Hetfield's twisted mind [12, 38, 45–48].

4.1.2. Lars Ulrich

Just like Hetfield, Ulrich also fought strongly against the authorities, which he picked up from his father who loathed them. Ulrich has defined his life's philosophy as controlling his own life and destiny rather than allowing someone else to do it, which is very much the same as Hetfield's "live freely or not at all". Ulrich's parents of Danish descent belonged to the Danish elite. Ulrich had no siblings but grew up with adults. His father was involved in many progressive and experimental issues, which led Lars to meet a lot of artist from different fields. He also traveled around the world due to his father's tennis training. Through this, he developed an adventurous, curious, enthusiastic and open-minded worldview, which later played a part in his desire to experiment with music as well. He was never brainwashed with ideologies, but instead, he was free to experience and find answers himself [12, 14, 49, 50].

After having moved to the United States, Ulrich was shocked about all strict rules after the freedom in Denmark. Furthermore, he was nobody after the move to the United States, while in Denmark everybody knew him because of his father. Ulrich had to re-emerge in one way or another, and this happened to be rock and Metallica. Ulrich grew into a dream partner in the music industry, a good speaker and a person who would be welcome in any band. He charms and observes all those present naturally and sincerely. On the other hand, if something is kept secret from Ulrich, he feels threatened and uncertain. He does not want to be excluded.

He wanted to show his own ability to his very successful father. Besides of his father, Ulrich's competitive edge also comes from his tennis player history. Ulrich works spontaneously and quickly when he is excited about something. He will not be stopped by anything before he gets what he wants. He is confident and grans each chance without the fear of rejection. With most bands it was "if we get a record deal". With Ulrich it was "when we get a record deal". The word "no" bears little meaning to Ulrich. He lives in the moment. The America's goal-oriented thinking was strange for him [12–14, 38, 41, 46, 48, 51].

Ulrich had the clearest view of Metallica at the beginning of the band. He has been the engine for Metallica's ambition. Ulrich wanted Metallica to spread everywhere. He eats, sleeps and breathes Metallica. According to him, the only way to progress was to write and record an album that was bigger and more bombastic than the last. Satisfaction kills the progress. Ulrich's enthusiasm is likely to stem from his childhood—he was free to go to different gigs among other things, but he had to earn his money and lift there [12, 38, 42, 45, 52–54].

Hetfield's and Ulrich's common ground is the struggle against the authorities, a strong desire for control, the need for constant progress, and love for heavy music. These four factors form the "Metallica spirit" that stems from Ulrich and Hetfield's intrapersonal conflicts. This spirit has not only enabled Metallica to succeed, but it has also kept the band alive in the midst of quarrels. Metallica has been regarded as a deranged self-centered band due to Ulrich and Hetfield's strong desire for control, which has caused considerable conflicts both within the band and with external stakeholders. Let us examine Metallica's conflicts within its inner cycle that consists of artists, and producer Bob Rock and performance coach Phil Towle, who have managed to get into inner circle.

4.2. Interpersonal, intragroup and intergroup conflicts within Metallica's inner circle

Although the dissimilarities have complemented Ulrich and Hetfield as human beings, and have created Metallica's innovation power, differences have also caused also remarkable disagreements between them. There has been a brotherly love-hate relationship, where creativity has been based on constant conflicts. Although they have had a lot of conflicts, they have supported each other in hard places. Furthermore, guitarist Kirk Hammett has been the middle man for Hetfield and Ulrich many times. His role has been important for the survival of the band. Hetfield says that he has competed with Ulrich from the first day on. This has made Metallica what it is. It has pushed the band to progress—"We did not just want to be better than every other band. We wanted to be better than each other". Thus, selfish individual interests have helped Metallica to progress. This has been an exhausting path, but it has produced results. Hetfield usually develops most of the riffs and Ulrich puts them together as songs. Typically, in their creative process, after Hetfield tells his view, Ulrich provides an opposite opinion—or vice versa. They say that this is not intentional, but the view on the same thing is different. Thus, whatever Metallica produces, it has been a constant tug of war and struggle. For this reason, Metallica uses the 80% of the total time to the first 10% of album. The band has experienced this as painful practice because visible results have to

wait a long time. Metallica calls this delay as "Metal-time". The dispute ultimately ends up with a compromise that everyone can adapt to. Although the band speaks of compromises, it seems that in the 1980s and the early 1990s it was more a question of handling conflicts in a manner that combined competition and collaboration that resulted in completely new perspectives [12, 38, 41, 51, 53]. Letus examine more specific what conflicts have occurred within Metallica's inner circle during the band's lifecycle, and how these conflicts have been handled.

4.2.1. Years 1981–1986: through the struggles to the ideal line-up

The tensions within the band started already before the release of the first album in 1983, and even though the tensions contributed to creativity, the band also came close to splitting. No one was safe in the band; everyone was under the thread to be kicked out. Metallica's first lineup included drummer Ulrich and vocalist-guitarist Hetfield, lead guitarist Dave Mustaine and bassist Ron McGovney. As McGovney felt that others were not honoring him, he resigned in 1982. He later admitted that he was not fully committed to Metallica. This was not okay for Ulrich and Hetfield—especially when McGovney was not a very skilled bass player. Ulrich and Hetfield were perfectionist who did not allow themselves to be comfortable. They demanded the same attitude from other band members and also from external stakeholders. They challenged Metallica to make everything as good as it could be. Ulrich and Hetfield found what they hoped for, Clive Burton as the new bassist. Metallica was like a speeding car without brakes. When Burton joined in the band it got a professional driver to better control energy [12, 38, 42, 53].

Hetfield and Ulrich thought that Metallica would not succeed with Dave Mustaine either. More versatile players were needed. There were other problems with Mustaine as well. He became unpredictable when drinking. The last drop was Mustaine driving their tour bus drunk into a ditch and endangering the whole band. Mustaine was kicked out from Metallica in 1983. According to Ulrich, Metallica was more important than relationships. Without kicking Mustaine out, Metallica would probably have died in internal conflicts. Metallica's charm was based originally on Mustaine. Ulrich did not like Mustaine's and Hetfield's macho-attitudes. When Mustaine was around, Hetfield paid less attention to Ulrich. After Mustaine left, Hetfield was able to take on his role in Metallica and was no longer shadowed by Mustaine. Mustaine was replaced by Kirk Hammett, who was a more easy-going than Mustaine. This dramatically changed the band's dynamics [12, 40, 42 46, 53].

At the time of the Ulrich-Burton-Hetfield-Hammett line-up, the band had four completely different powerful and individual personalities with totally different philosophies. When all the different ideas and characters were merged, the result was the most acclaimed line-up of Metallica. In addition, members of the band were influenced by very different types of music. The progress of Metallica's music was based on this equation. Metallica's second album, Ride the Lightning, was more sophisticated than its predecessor and began separating Metallica from other thrash bands. This immediate shift in musical maturity is widely credited to the talent Burton. Hammett also brought new musical dimensions to the band. Metallica's good

pace was cut off by Burton's death in a bus accident in the fall of 1986, and that almost was the end of Metallica, too. The months preceding the tragedy were a golden age of Metallica. It was unstoppable both creatively and on stage. Many appreciate the Master of puppets released in 1986 as the Metallica's best album [12, 38, 42, 51, 52].

4.2.2. Years 1987–1999: growing the biggest heavy metal band of the world

Metallica's members dealt with Burton's death so that Burton himself would have wanted Metallica to go on. However, the band made their decision too fast and tried to drown their grief in work. Communication and soul-searching would have been needed. Before Burton's death Metallica was indestructible. Nothing bad could happen. The band escaped the reality, but Burton's death made things real. Death touched most Hetfield, to which Burton was like a big brother. Again, an important person for him died. Metallica's image and internal dynamics changed again greatly. Ulrich, Hetfield and Hammett used bullying their new bassist Jason Newstedt as a questionable form of therapy. Newstedt did not bring Metallica new the same way as Burton. This led to Newstedt being understated, which was most apparent in making and mixing …And Justice for All album in 1988, when the Newstedt's bass was muted almost inaudible [12, 38, 42, 46, 53].

On the stage, things went smoothly, but the behind the scenes the band members started to get annoyed with each other. During the Master of Puppets tour, egos grew especially with Ulrich and Hetfield, which concretized as a weak production and overly long songs in …And Justice for All album. The album made under the terms of Hetfield and Ulrich, and no one else inside or outside the band was listened to. However, the album sold well, and the audiences on the tour continued to grow. Metallica changed its style remarkably for the 1991 the Black album. Ulrich's comment after Black's release describes well the mentality of renewing the band: "As long as there is fun and challenge, we will continue. It is cool that we try not to get stuck on the same tracks. We get easily bored. We were experimenting on the new album a bit. As soon as it feels like working on an assembly line, the result is shitty" [12, 45, 46, 53, 55].

When Metallica was making Black, the band members fought with each other, but also with the producer Bob Rock. Rock started to question Metallica's music and the way of doing it. He whipped out Metallica's best potential. At this time, the sounds were important and invested on. In addition, the songs were simplified, shortened and slowed down compared to previous albums. Rock also got Hetfield to believe in his hidden vocal abilities. Rock was a perfectionist and their interests matched as Metallica wanted to become the biggest band in the world. Rock was the first outsider to enter the band's inner circle. All of them had their own ideas of ways to achieve a common goal, which naturally caused conflicts. The life for Rock was distressing with the stubborn and arguing Ulrich and Hetfield. According to Rock, the album was not easy or fun. Finally, he told the members of the Metallica that he would never work with them again. Later, however, it became clear that collaboration between Rock and Metallica would continue for more than 10 years. The Black album has sold around 30 million copies, which made Metallica a mega band. At this point, popularity

began to affect Metallica's members, as their lives were economically secure. On the other hand, egos grew even bigger than before. It was followed by pretending and talking bullshit [12, 13, 42, 45, 46, 51].

After the Black album and its tour, Metallica has taken such daring and even senseless risks that have not been seen in the rock history. Whatever one thinks about Load and Reload albums in 1996 and 1997, and image changes, one thing is sure: Metallica has not chosen the safe path. However, it is generally acknowledged that Load and Reload contain several weak songs for the first time in Metallica's history. The musical fall is estimated to be because they did not have anything to oppose for the first time during their career. Until Black, they always had something to rage against. They were outsiders, but they won the war, and they did not have anything to conquer anymore. Furthermore, the band started experience friction about the changes in the looks of band members. Ulrich and Hammett were excited about abstract art and also dressed completely differently than before. Hetfield considered that the musical change was okay but did not accept the change in imago. For him and Newstedt, this period did not seem natural for Metallica [13, 42, 45, 53].

In the late 1990s, Newstedt saw that the previously cohesive Metallica started to grow apart. According to him, earning money for 10 years had begun to drag the band into a vicious circle, and they were forgetting why Metallica exist. In addition, other members had other important things in life, such as families. They spent less time playing music together. Newstedt's Echobrain band was an essential reason for friction. Especially Hetfield disapproved Newstedt starting his own band alongside with Metallica. Newstedt stated that Hetfield's iron grip on Metallica was suppressing. Hetfield's response "other kinds of arrangements can be made" maddened Newstedt as the last straw. Newstedt left Metallica in 2001 [13, 42, 45].

4.2.3. Years 2000–2006: on the brink of a break-up

In the millennium, Metallica's internal relationships had been in bad shape for a long time. The hidden mourning of Burton's death had been buried inside the band members and inflamed 15 years later to the point where Metallica was falling apart. The lone wolves did not work well together. Every band member wanted solitude. Unhandled issues that had been numbed for with various intoxicants started to surface. Rudeness, misunderstandings, jealousy and competition tore Ulrich and Hetfield apart when they argue whose band Metallica was. At this point, the conflicts had led Metallica's in a state that threatened the existence of the band. Metallica's manager Q Prime got external help for the arguing band. Phil Towle, a performance coach, was hired for the job [12, 42, 45, 51].

Towle achieved a close and deep partnership with the members of Metallica. Hetfield was initially the most cautious about Towle's group therapy, and even suggested firing him. He felt uncomfortable when Towle was too involved with Metallica's work. Later he told that Towle was like an angel to him—a missing father who made him think of things. Towle managed to make the members of the band tell one another about their feelings daily. Ulrich

was irritated that every emotion had to be analyzed and no results seemed to come—"1.5 years of this already and it does not lead to anything". Ulrich also threw Towle sarcastic comments from time to time. As such, Ulrich's childish remarks can be understood because Towle was rather a rigid persona, did not fit in the Metallica's world. Ulrich also made a blunt statement that "20 years of hate sold 100 million records ... look at us (and this shit of psychiatry)" [13, 41, 51].

Hetfield went to his personal rehabilitation after the group therapy and the recording of the St. Anger album started. He wanted to have a break during which he could evaluate both his professional and private lives. He did not tell the others when or whether he would come back. Metallica had previously succeeded in going ahead with Ulrich's endless energy as a counter force to the stubborn Hetfield, but now they were up against a brick wall. During Hetfield's rehab, the other members realized his significance for the band. This was a tough place, especially for Ulrich. He is easily frustrated if things do not go ahead and there is uncertainty. Eventually, Hetfield's absence made Metallica's members closer to each other because of the threat of Metallica splitting. Metallica's manager Cliff Burnstein commented on Metallica's difficulties that the lives of Metallica's members would not change greatly what-ever they decided to do. They have reached the top, why should they work hard anymore—they have families, money, houses, etc. [12, 41, 46, 51].

When returning from the rehab, Hetfield tried the things he learned in practice, but the old control freak and stubbornness surfaced again. He said he only works in the afternoon for 4 hours, and the others should restrain from editing music at others times when he is not there. This annoyed the other members—especially Ulrich, as he was more of a night person. Ulrich attacked heavily against Hetfield's principles by cursing him. However, Hetfield did not give up, and so the band was forced to learn a new way to work. Hetfield's personal rehabilitation and group therapy eventually helped the band to get through the worst disputes. Metallica would probably have died without the therapy. Ulrich and Hetfield's attacks on each other tapered off. They also reflected on what had happened and recognized that they had changed for the better. There are fewer conflicts, as members of the band have learned to appreciate their fellow people more as they. Earlier, in conflicts, the tendency was to irritate the other even more. This conflict stimulation technique was double-edged sword, because it simultaneously improved creativity and caused bad feelings. Hetfield said that after personal rehab and group therapy his macho image vanished. Before that, he rebelled strongly against society, himself and everything. He questioned everything and drowned his problems in drinking. Then he became a father who started protecting his family and loving his life. He saw that the meaning of his life was be a role model and show what Metallica's members have experienced during their career. In other words, Hetfield solved his intrapersonal conflicts [13, 41, 42, 51, 53].

All in all the recording process of the St. Anger album was challenging. As such, the album was an attempt to return to the band's rough garage days, but the "family" was not as coher-ent as it was then. The album released in 2003 was not a master piece, but the band had to go through this to become stronger. In 2003 Robert Trujillo, a new bassist joined in the band. From him, Metallica found a bassist with whom the band can do the same things as they used

to do with Burton. On the other hand, Trujillo was a cheerful, which made him fit to the current situation of Metallica [42, 45, 53].

Some Kind of Monster documentary about Metallica was made around the making of St. Anger and Towle's coaching. When the documentary came out in 2004, it showed the human side of the band for the viewers. According to Ulrich, the cameras prohibited them from doing in conflict situations as they used to do: joke and lie. Cameras made things a little bit more real. Hammett pointed out that people usually see and hear Metallica's glamor. As the document was now behind the scenes, the whole picture was balanced. In documentary, people saw Metallica as a team that makes humane errors, not as gods. It changed the opinion of Metallica for many overnights. Metallica is the first mega band in the world that is also mega human [13, 41, 45, 51].

4.2.4. Years 2007–2017: a new rise in harmony

In 2007, Hetfield said he loved Ulrich, but there is still constant disagreement. Their chemistry matches even though it is hard to notice due to all squabbling. Conversations are intense, disagreements surface and sparks flow. The relationship is still tricky, although today they are better able to listen to one another, and are able to take feedback from one another. In 2011, Ulrich told that he and Hetfield were in better terms with each other than ever before. Hetfield got gradually rid of his precise rules he adopted in the rehab, and there are not anymore time limits to his creativity. This can be heard on Death Magnetic album released in 2008, which was a clear return to their thrash metal roots of the 1980s. At the same time, the responsibility of composing was shared among all members of the band. All members are marked as contributors for all 10 songs in the album. Unseen harmony seemed to have reached the band [12, 13, 45].

Metallica may have lost more money in 2010–2016 than it has earned. The band did not release any Metallica albums in this period, and they toured very little in the United States, which the band justified as a general fall in demand for rock. Metallica would not have given up like this in any case at the beginning of their career. The "war" seemed to be over, but Metallica was being well. In 2016, 35-year-old Metallica is no longer in any hurry, but instead, is doing various projects depending on their own feelings and schedules. The chemistries work well together, and the team spirit is good. The band members can discuss things in a civilized manner, and they really like working together. They no longer need to defend their territory like wolves, but the band members is listening to others' proposals and adapting them to their own ideas. When making the Death Magnetic, the band thought about Metallica's deepest essence, while Hardwired …to Self-Destruct published in 2016, was spontaneously done without wondering what Metallica would sound like in 2016. The album was not made in the traditional speed mode, but depending on the feelings. Many critics value Hardwired …to Self-Destruct the best Metallica album since Black. On the other hand, for the first time, the band seems to have done compromise to please fans. The band members say that Metallica can continue working together for the next 20 years, if physics permits [14, 48, 56, 57].

5. Discussion

Metallica's success is based the power duo of Ulrich and Hetfield. Their common ground is the strong desire for control, the struggle against the enemies, the need for constant progress and love for music. These factors form the Metallica spirit, stemming from Ulrich and Hetfield's internal conflicts. In addition to enabling Metallica to succeed, these four factors have kept the band alive in the midst of quarrels. The most important Metallica's success factor seems to be the desire for control. Ulrich and Hetfield hate the idea that authorities or gurus would steer the Metallica ship. In practice, Ulrich and Hetfield have avoided conflicts with other stakeholders by strong control. The need for controlling springs from different sources for Ulrich and Hetfield. Ulrich has little or no tolerance for uncertainty and obscurity, the latter has a fear of loss regarding the personal freedom and running out of creative force. Therefore, the will to fight that arose from negative emotions has defined a lot the success of Metallica. On the other hand, there has been passionate love for music.

Table 1 shows Ulrich's and Hetfield's personalities based on available information. From the factors that provoke innovativeness, Ulrich's personality is emphasized by openness, while Hetfield's strengths are conscience and lack of agreeability. Furthermore, Ulrich has concentrated more on big picture while Hetfield has focused on the details, and Hetfield is great on stage while Ulrich dominates off-stage. Although the difference has complemented Ulrich and Hetfield as human beings, and have created Metallica's innovation power, differences have also caused lots of destructive conflicts between them. One of the reasons for this is their very different backgrounds. Their families were far apart geographically, culturally and economically. It should also be noted that although extroversion and neuroticism are not the most important factors for innovativeness, personal differences in these factors have also created conflicts. For example, with regard to extroversion, Hetfield has remained silent and shy, and often in Ulrich's shadow who is a talkative, which was bad for Hetfield's self-esteem especially in the early days of Metallica. Ulrich and Hetfield's most dramatic personality features have leveled off since the beginning of Metallica. Especially Hetfield, who has grown considerably as human being and got rid of many destructive intrapersonal conflicts.

The good handling of task and process conflicts helped the band create great music up till 1991 the Black album, yielding functional outcomes. Under the surface, however, bad emotions smoldered and escalated for the first time to a longer dysfunctional state as the band nearly

Personality factors in Big five model	Lars Ulrich	James Hetfield
Openness to experience	more inventive/curious	more consistent/cautious
Conscientiousness	more easy-going/careless	more efficient/organized
Agreeableness	more friendly/compassionate	more challenging/detached
Extroversion	more outgoing/energetic	more solitary/reserved
Neuroticism	more secure/confident	more sensitive/nervous

Table 1. Personalities of Ulrich and Hetfield.

broke up in the early 2000s. Bad emotions started to accrue since Burton died year 1986. This extremely destructive conflict was handled with avoiding it for 15 years. Furthermore, several new conflicts emerged from this conflict. Conflicts were hidden by humor and numbed with alcohol and drugs, until all the feeling bad came out at once. In consequence, relationship and status conflicts exploded. Even task and process conflicts were getting dysfunctional, the fact that we can hear in the mediocre albums Load, Reload and St. Anger.

As the fear, anger and love for music helped in achieving the band the status of world's greatest heavy rock band, the maturing as people and a more positive outlook on life helped to keep the band alive and continue to make still relevant music. The newest album, Hardwired …to Self-destruct in 2016, is a good example of a more harmonic Metallica. There are conflicts within the band, and with external stakeholders, but they are less frequent than before and they are handled better. The worst rebelliousness is over, but new experiments and striving for one's freedom have continued. A good example of the first is the very controversial Lulu album in 2011, and of latter the same year established own record company, with which Metallica has full control of its actions.

The ways of handling conflicts have changed during the band's career. **Figure 5** shows Metallica's progression at roughly level album by album, and the prevalent conflict handling method or mix of them. Figure show also the biggest spots of musical discontinuity between albums.

If you want to lift one conflict handling way above others in Metallica, it is competing. Especially at the beginning, the members concentrated on competing against each other. The competition provoked the personal creativity and at the same time Metallica advanced musically.
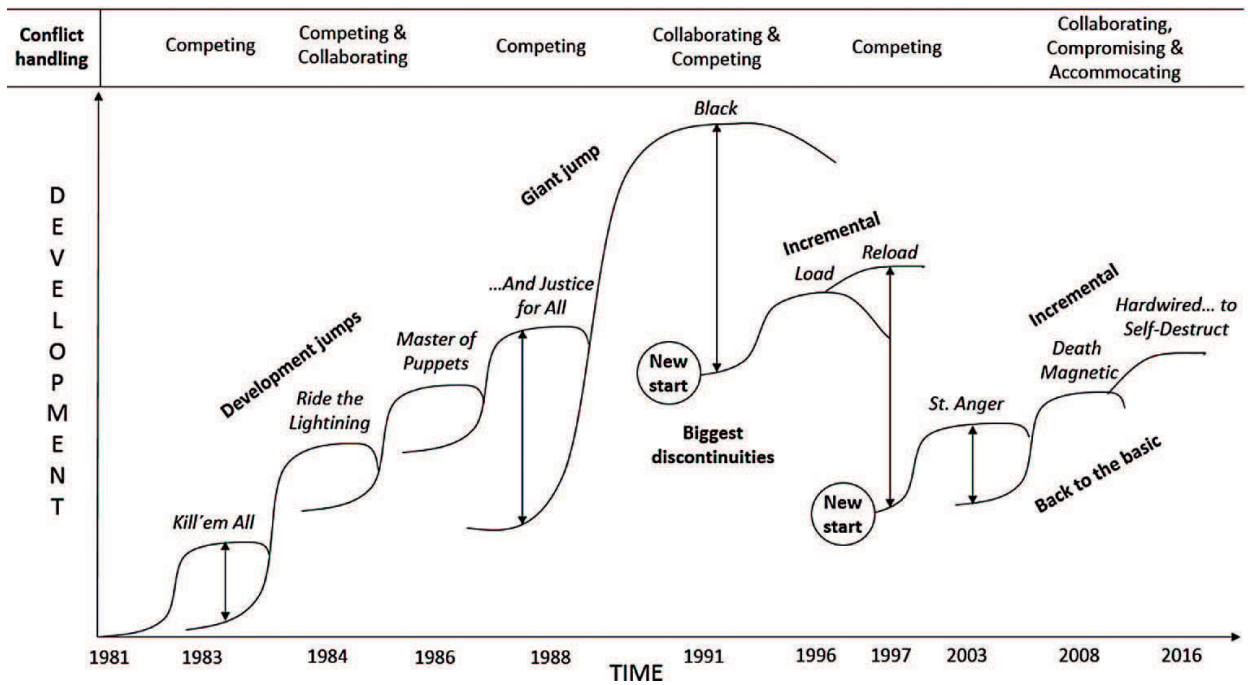

Figure 5. Conflict handling methods and innovation discontinuity during the Metallica life cycle.

The main thing was to win a conflict without caring for the other parties. In the external competing, the band overcame the hindrances that were in its way. In the competing method, one concentrates on its or his own problems. Metallica and its members were exceptionally devoted to its cause and not caring about the critique. However, as a conflict handling method, competing has its risks in the long term, as shown in the Metallica crises.

Alongside the competing, the collaborating strengthened as the conflict handling means during the 1983–1986. Metallica's "Metal-time", the delayed composing practice is good example of collaborating. After this, the unexpected death of Burton and the egos had been growing since the success of the Master of Puppets album. During this period, the competing returned to the main conflict management method. Collaborating strengthened again when making the Black album. However, with the great success of this album the vanity really started get to them, and the most confused time of the band started. This can be heard in the albums Load, Reload and St. Anger. At this period Ulrich and Hetfield were first time in different camps. They compete with each other who is the leader in Metallica. So Metallica itself became the cause of the conflict, when before Metallica spirit had been an invisible power that bound the band members together. Hammett has also been pivotal role as he has acted as a peacemaker and diplomat between Ulrich and Hetfield. Burton and Burnstein have been in same role. In conflict situations, they usually used the unselfish accommodating method.

Making the album St. Anger the band had a crisis that was the biggest in its career that only with the help of therapy it was able to solve. Also, the role of cameras, that filmed Some Kind of Monster documentary, cannot be diminished. The cameras prohibited the band members from doing in conflict situations as they used to do: joke and lie. After the therapy, the performance coach Towle told that the band is no more afraid of conflicts, but holds the tension caused by them as an asset. In conflict situations one is no more in one's shell, but opens up to others. They trust that something good will come out of it. You could say that the band has started anew after the crisis, as more mature. Members of the band were able to appreciate to each other. The corrective maneuver in attitude was very important and brought the band lots of more years to live. After the crisis, the collaborating, compromising, and even accommodating were used as conflict handling methods. An example of the last one is the band showing their esteem to the old band members and partners by inviting them to the band's 30 year party and paying for it all. Metallica is at its most harmonic state ever, and members enjoy work together. Metallica does not make music that is opening new paths anymore, but it has sustained the status of world's biggest heavy rock band.

The methods which Metallica has handled conflict have changed with the years, as have the musical styles. They have not gone with reinventing the wheel if not counting the albums Reload, Death Magnetic and Hardwired… to Self-destruct. The band tells its music has progressed its natural path. When compared to other bands the musical style changes have mostly been so big, that we can say radical changes instead of incremental improvements. The most radical change happened before Black album, when the band created the biggest discontinuity compared to its earlier music. The Death Magnetic album is a return to the

Metallica's music in the 1980s, and then again Hardwired… to Self-destruct is a cross-section of the bands whole career. The harmony of the band and its trait for compromises can well be seen in its music. The band has started thinking how to please others.

Metallica has also utilized successfully conflict stimulation techniques such as communication (e.g. Ulrich's and Hetfield's provocation), bringing in outsiders (e.g. Burton as a new skilled artist) and even devil's advocates (Rock and Towle). Conflict stimulation has been balancing with the double-edged sword. As a summary, Metallica has handled and stimulated conflicts exceptionally well during its career. Literature says that competition does not yield as good results as does collaboration. Metallica's skill has been to create an optimal mixture of competition and collaboration in the critical phases of its career. **Figure 6** summarizes the essential things at Metallica case from the point of conflict management. Left side of figure describes the functional conflicts and right side the dysfunctional conflicts.

Although the record sales are nowadays not nearly as good as it used to, the fan base has been growing in the 2000s. In the 2010s, however, there has been a decline, and it may well be that the band has been unprofitable for the first time since 1980s. On the other hand the 2016 album Hardwired… to Self-Destruct seen to bring some help to this. A more reconciling attitude in conflict situations seems to fit the matured band, when it balances on the border of the mature and decline stages of its life span. It is interesting, that competing has risen as a conflict handling method to the surface, from time to time. If history keeps repeating itself, Metallica has the next battle ahead and it involves strong competition. Maybe it is competition toward the decline.
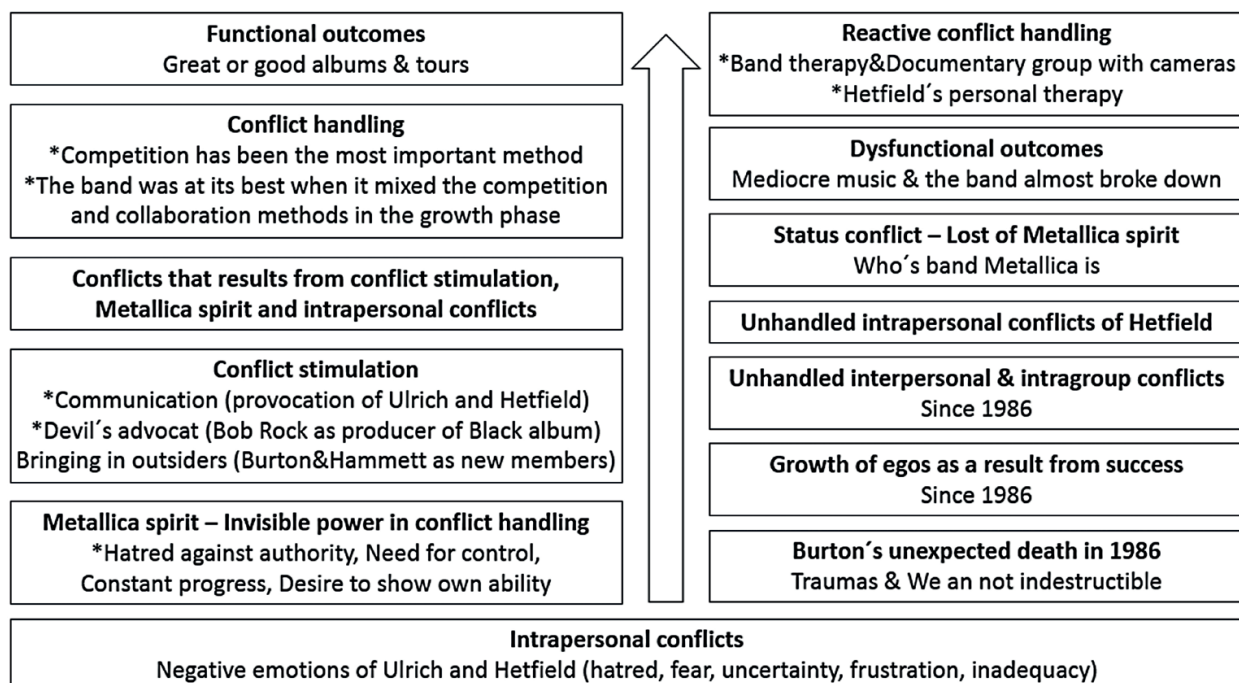

Figure 6. Summary of conflicts and their handling at Metallica case.

6. Conclusions and further research

Conflicts have absolutely been a springboard for Metallica's success. Without Ulrich's and Hetfield's intrapersonal conflicts Metallica would not have even been born. Their negative emotions and love for music have been fuel for Metallica's growth path. They desired passionately to show their ability, and knock down their skeptics and rivals—and even each other. On the other hand, their opposite personalities have led to numerous destructive conflicts. However, their common love, the band Metallica, has been above these conflicts. This was forgotten in the mid-1990s and the result was almost the death of the band in the millennium. Only therapy saved Metallica.

The success of Metallica was born and sustained from the desire for control, the invisible power of Metallica spirit, and the appropriate mix of different conflict handling and stimulating methods in different stages of the band's lifecycle. The combination of competition and collaboration methods made Metallica a mega band at the beginning of 1990s. The breakthrough of the band may be crystalized in two sentences.

- Ulrich: 20 years of hate (toward authorities and the system) sold 100 million records.

- Hetfield: We have been competing with Ulrich since day one. That has made Metallica what it is. It has driven us forward. We have had our fights, but in the toughest situations we have supported each other. We wanted to progress despite obstacles, and make it.

On the other hand, the slowdown in progress is also understandable. Metallica's manager Burnstein was probably right when he assessed the reasons for the diminishing effort of the band in the mid-1990s. He stated that the life of the members of the band does not change that much no matter what they do. It has no more battles to win.

The limitation of the study is focusing on one case, so results cannot be further generalized. It would be interesting to do a similar study concerning other bands that have managed to make a long and successful career. In the genre of heavy rock, for example, AC/DC and Iron Maiden have accomplished a similar career, but they have taken less creative risks than Metallica. On the other hand, the results of the study should not be applied only to music bands and other artists, but they are probably possible to apply to other business types as well. This should, however, be studied more, since the harsh actions, as done by Metallica, maybe frowned upon in more traditional industries. There are exceptions, however. For example, the birth and the actions of Apple have features reminding of Metallica case. Steve Jobs and Steve Wozniak started in a garage with an attitude of nerds, they complemented and competed against each other, they saw what others did wrong, they hated authorities, they believed passionately what they were doing and kept the control to themselves, they demanded a high standard of performance, they were unpleasant toward others if there was cause to, and they fought the victory through many hard conflicts [58]. A good question to study further is this formula of success still valid. Furthermore, it would be interesting to continue Metallica's research by studying its conflicts with external stakeholders such as press, fans, producers, managers, record companies and other bands.

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Drivers of Innovation Deployment Affecting the Marketing and Sales Relationship

Teresa Cometto and Gaston J. Labadie

Additional information is available at the end of the chapter

Abstract

This study investigates the antecedents of information management and its effect on formalization and joint planning as drivers of the marketing-sales functions perceived relationship effectiveness during the formalized process of new product deployment (NPD). We examine the effect of communication as perceived by the marketing and sales functions based on two components: communication amount/frequency (CA) and communication quality (CQ). Finally, we investigate how process formalization and joint planning affect the perceived relationship effectiveness of marketing and sales during the NPD process. The quantitative study uses 152 matched responses from top-level managers, responsible for the innovation deployment of six South American subsidiaries of a global consumer packaged goods company. The qualitative research, via in-depth interviews, confirms the importance of various behaviors of sales and marketing staff during the process of new product launches in the market. While numerous studies have researched the drivers of innovation process, this is the first chapter that studies the NPD implementation process based on the cross-functional relationship between marketing and sales. These drivers can help managers implement effective team processes to enhance innovation deployment results.

Keywords: marketing and sales interface, innovation deployment management, communication, planning, FMCG Latin America

1. Introduction

Consumer packaged goods industries deploy innovation in order to open new streams of revenue, to stay ahead of competitors and to enhance brand equity. Companies facing a turbulent and hyper-competitive environment require effective management of cross-functional relationships, to maintain their competitive advantage in the marketplace [1, 2].

Extant research of the effectiveness of cross-functional integration in new product development has focused on goal incongruity among marketing, research and development (R&D) and manufacturing, perceived R&D and marketing conflicts or interpersonal trust [3, 4] inter alia. More recently, Wiebmeier et al. [5] introduced the relevance of sales to unlock synergies during the innovation process and the customer relationship improvement [6].

The importance of marketing and sales interface has been consistently reported as a key cross-functional interface to enhance business performance and to create superior customer value (e.g., see [1, 7–9]).

In highly innovative consumer packaged goods companies, business performance is embedded with innovation deployment success and measured by relative market share, sales, profitability and objective compliance [10].

The literature highlights key factors that can either contribute to or hamper the coordinated and collaborative sales-marketing interface [1, 11, 12] inter alia. These studies are based on samples from a specific context of developed economies like the United States, Australia, New Zealand and countries from the European Union, while emerging markets remain underexplored [13–15]. This chapter, instead, studies for the first time the nature of the sales-marketing cross-functional relationship and those factors that contribute to the interface relationship in order to gain in new product deployment (NPD) effectiveness in the six South American countries of a consumer packaged goods global company.

The chapter is organized as follows: after a review of the literature, a theoretical model is developed, followed by the methodology and results' presentation. Finally, conclusions, management implications and limitations are presented.

2. Literature review and theoretical model

The integration of the customer insights at different stages of the innovation process through sales collaboration is a far more effective source of new ideas than are other innovation sources; however, new methods are required [16]. Over the last decade, a number of studies have offered insights into marketing and sales described by Rouziès and Segalla [17] like configurations, orientation and influence, interface revenue and profit implications. Sales and marketing have different perspectives and compete for resources, facing sometimes conflict between the two functions [7, 18]. Malshe and Biemans [9] studied the activities of the interface sales and marketing during the development of new products in early stages; however, the collaboration required during the final deployment stage has not been studied. The sales-marketing cross-function relationship approach considered in this research is established by Rouziès et al. (in Ref. [12], p. 115) as "a dynamic process in which the two functional areas create more value for their firms by working together than they would create by working in isolation." That is to say, activities are consistent and coherent with each other (same goal) and are coordinated over time during innovation deployment process.

The model was developed building on the theoretical constructs of the multidimensional model drawn by Homburg et al. [11] and the foundations considered by Massey and Kyriazis [3] for the marketing and R&D interface.

2.1. Perceived effectiveness of the sales-marketing relationship (PRE)

The dependent variable, PRE, is the degree to which sales and marketing managers perceive that the relationship is effective and satisfying in achieving organizational objectives [19]. The construct was adapted from both Ruekert and Walker [20] and Homburg et al.[11]. In spite of being a psychosocial outcome, it can be viewed as a precursor to objective outcomes like product innovation performance, superior value creation or market share growth [7, 21].

2.2. The inter-functional communication role (CA and CQ)

Extant literature proposes that the amount and difficulty of communication are important aspects of cross-functional interaction, associated with an improved relationship commitment and perceived justice [12, 20, 22].

Given the established importance of cross-functional communication to achieve functional coordination during NPD (e.g., see [20, 23]), we explore two communication dimensions: amount of communication and communication quality. Communication amount (CA) is defined as the intensity of information flow among managers via e-mails, telephone, formal or ad-hoc meetings and reports [20]. Communication quality (CQ)—adapted from Fisher et al. (in Ref. [23]) and Homburg et al. (in Ref. [11])—is defined as the extent to which communication between sales and marketing managers is a bidirectional process of credible, relevant, useful and on-time provided information for a flawless NPD. Massey and Kyriazis [3] found a strong effect of communication frequency and bidirectional communication (a key variable of communication quality). Therefore:

H1 Communication amount is positively related to communication quality between sales and marketing managers.

Extant literature confirmed the importance of communication frequency to promote a more effective relationship between marketing and other departments, through informal conversation and efficient meetings [3, 23, 24].

We therefore hypothesize that:

H2 Communication amount is positively related to the perceived relationship effectiveness between sales and marketing managers.

Sales and marketing managers perceive their relationship to be effective if both of them achieve the innovation deployment targets. Fisher et al. (in Ref. [23]) found a positive link between bidirectional communication and the perceived marketing-engineering relationship effectiveness during the innovation process. This effect was confirmed by Massey and Kyriazis ([3] between R&D and marketing managers). We therefore hypothesize that:

H3 Communication quality is positively associated with the perceived relationship effectiveness between sales and marketing managers.

2.3. Formalization (FMZ)

Formalization is defined as the extent to which sales-marketing cooperation is structured by rules and procedures [11]. The process adopted by the studied company in each country is the Stage-Gates innovation process that enables companies to minimize uncertainty by helping them identify the wrong projects before too many resources are invested [25]. A key managerial role is to direct sales-marketing integration toward the common goals of NPD projects through formalized processes that affect cross-functional relationships (e.g., see [26]). We therefore hypothesize that:

H4 Formalization of the innovation process between the sales and marketing managers is positively related to the perceived relationship effectiveness.

However, it is also recognized that strictly adhering to the Stage-Gates philosophy may turn out in rejecting viable projects. Therefore, initial flexible processes that are adaptable through information sharing, experience and learning can improve the dynamics of project execution [27]. Therefore:

H5 Communication amount between the sales and marketing managers is positively related with the formalization of innovation processes.

H6 Communication quality between sales and marketing managers is positively related with the formalization of innovation processes.

2.4. Joint planning (PLAN)

Joint planning, one of the structural linkages, is understood as the degree needed in developing the product strategy where marketing and sales ideally should reach a consensus [11]. The dimension is built on product strategy agreement and teamwork, as well as objectives, budgets and activities alignment [11]. Hence:

H7 Joint planning between the sales and marketing managers is positively related with the perceived relationship effectiveness during innovation deployment.

The significant negative relationship between the quality of cross-functional information and goal incongruity [4] suggests that the joint planning among functions engaged in NPD programs may be improved through cross-functional information sharing. Therefore:

H8 Communication amount is positively related with joint planning between marketing and sales during innovation deployment.

H9 Communication quality is positively related with joint planning between marketing and sales during innovation deployment.

3. Methodology

The methodology is presented in two stages. The first phase of the research was to develop a hypothetical model and test it. This should provide information on the variables in the

relationship and their interaction with each other. Then, in order to confirm our findings and provide in-depth and context-rich data [28], in-depth interviews were used to confirm and provide further insights into the behaviors of sales and marketing staff during the deployment of new product launches.

3.1. Quantitative stage: survey context and data collection

This study was conducted in a Global 500 [29] multinational consumer packaged goods company in six of its Southern Cone Latin American branches (Argentina, Chile, Peru, Bolivia, Uruguay and Paraguay). The total cluster accounts for a significant turnover (higher than $ 2 billion US dollars) and an intense innovation deployment strategy.

3.1.1. Measure development

The questionnaire was developed based on the review of the literature and in-depth interviews with a sales manager and a marketing manager. In order to ensure content validity, the questionnaire was pretested in Argentina and Uruguay with six sales and marketing managers. The original questionnaire included 46 questions, taking less than 20 minutes to complete.

3.1.2. Sample characteristics

Sales and marketing managers (who have various titles e.g., directors, category, sales, channel and brand managers) were involved in the innovation projects in each of the six countries; they were drawn from the company's database and sent a self-administered questionnaire via e-mail in August 2012. The same procedure was followed for all countries and each person contacted received an introduction to the project's objective as well as a confidentiality clause.

3.1.3. Measurement

Reflective multiple-item measures are used for all the researched constructs. The use of reflective scales allows us to test the constructs for convergence, discriminant validity, reliability and internal consistency [30]. Items and source for constructs measure on a 7-point scale (completely agree–completely disagree).

FMZ [3, 11, 20].

To coordinate the activities during NPD:

1. Formal communication channels are followed

2. Standard operating procedures are established

3. Marketing understands the sales process

4. Sales understands the marketing process

PLAN [11].

In the course of a common goal definition and planning of innovation deployment projects of marketing and sales in our business unit/company:

1. Market goals and sales goals are reconciled

2. Both units commit to the efficacy of common collaboration and coordination

3. Market-related activities are jointly planned

4. Market-related activities are taken jointly

5. Market-related activities are carried out jointly

CA [3, 20].

Generally, in coordinating NPD, the frequency of communication is appropriate through:

1. Impromptu face-to-face conversations

2. Scheduled one-to-one phone conversations

3. Scheduled one-to-one meetings

CQ [3, 11, 23].

Generally, in coordinating NPD, people in the sales (marketing) unit of our business unit/company:

1. Respond promptly and without a reminder to two-way information requests

2. Provide useful two-way information

3. Are very satisfied with the two-way content of the information provided by marketing (sales)

PRE [3, 11, 20, 22].

Generally, in coordinating NPD, people in the sales (marketing) unit of our business unit/company:

1. Overall are satisfied with the working relationship

2. Collaborate frictionless

3. Act in concert

4. Coordinate the market-related activities in a credible way

5. Fully carry out their responsibilities and commitments

6. Respond well to feedback and advice

7. Achieve their common goals

From a performance perspective, the relationship between marketing and sales has been effective.

3.2. Qualitative stage

In-depth interviews with 18 senior sales and marketing staff managers/directors within 5 or 6 subsidiaries were carried out in 2014 and 2015. The participants were recruited using convenience and snowball sampling techniques [31]. The interview guide included 30 topics and was moderated by the researcher itself, based on his experience in qualitative in-depth research.

3.2.1. Measurement

The guide was based on the innovation implementation projects involved within the last 6 months.

Q0: What determines the success of the implementation of the launch of new products in the market?

Regarding the processes used in the innovation projects that are launched in the market:

Q1: How do they relate to communication channels?

Q2: What role do the marketing and sales functions play in the processes?

Q3: What is the degree of knowledge of the marketing processes and the sales processes?

Regarding the communication used in the innovation projects that are launched in the market:

Q4: What are the media frequently used?

Q5: What relevance do they have?

Q6: How is the exchange of information between both areas?

Q7: How relevant is the information exchanged?

Q8: What type of information does marketing exchange?

Q9: What type of information is exchanged by sales?

Q10: What is the response of the other area?

Regarding the relationship between marketing and sales during the implementation of innovation in the market:

Q11: How would you describe the relationship between marketing and sales?

Q12: How do they coordinate the activities required for the correct launch in the market?

Q13: How are sales and marketing objectives determined?

Q14: What is the degree of marketing and sales involvement?

Q15: How do you achieve marketing and sales commitment?

Regarding the planning of the implementation of the launch of new products in the market:

Q16: What role is played by marketing and sales in tracking objectives?

Q17: How are activities related to the market planned?

Q18: How are decisions made between marketing and sales?

Q19: How are marketing and sales activities carried out?

In general:

Q20: How does the formalization of processes affect the communication between marketing and sales?

Q21: How does the formalization of processes influence the planning between marketing and sales?

Q22: How does the communication between marketing and sales affect the relationship between both areas?

Q23: How does the communication between marketing and sales influence the integrated planning between both areas?

4. Analysis and results

After quality control of the data, 152 valid answers (a high 70% response rate) were received from all 6 countries, over a period of less than 30 days. Out of the 152 answers, 55% were from marketing; 45% from sales; 7% from directors; 33% from category or channel managers and 60% from brand or client managers. There are no significant differences between the means of respondents from sales and marketing and from different hierarchical levels. Conversely, the resulting significant differences between means among countries highlight different levels of structural complexity and evolution, in spite of being part of the same multinational company.

4.1. Quantitative descriptive results

As can be seen from **Table 1**, the results are consistent with the findings of Homburg and colleagues [11] for the brand-focused professional taxonomy.

The resulting mean score for the sales-marketing perceived relationship effectiveness (X = 5.26, SD = 1.25), communication amount (X = 5.30, SD = 1.45) and joint planning X = 5.26, SD =1.24)

	No of items	Mean	S.D.	α
FMZ	4	4.68	1.37	0.74
PLAN	5	5.26	1.24	0.88
CA	3	5.30	1.45	0.73
CQ	3	5.07	1.41	0.89
PRE	8	5.26	1.25	0.91

Table 1. Means, standard deviations and internal consistency of constructs.

is significantly high. On the contrary, the quality of communication (X = 5.07, SD = 1.41) and formalization (X = 4.68, SD = 1.37) shows a lower level.

After using exploratory factor analysis, reliability of each multi-item scale was reassessed through calculation of the α coefficient. The reliability estimate of communication amount and formalization, although acceptable, is the weakest (See **Table 1**).

4.2. Quantitative measure refinement

Convergent validity is established by calculating the average variance extracted (AVE) for each construct that is higher than 0.50. Discriminant validity is established confirming that the correlation for all pairs of constructs is less than the AVE root square for each individual construct [32].

4.3. Model estimation and testing results

The measures were tested and modeled by using two-stage least squares estimation of observed variables (2SLS) [33]. As shown in **Table 2**, the resulting indices indicate construct acceptable fit; however, the root mean square error of approximation (RMSEA), higher than 0.05, poses some limitations.

Both communication dimensions—amount and quality—are positively related with the PRE of the marketing and sales relationship (β = 0.362, p < 0.001; β = 0.743, p < 0.001, respectively).

	χ^2(df)	RMSEA	GFI	NNFI	CFI
FMZ	160.6 (6)	0.153	0.971	0.863	0.954
PLAN	406.7 (10)	0.246	0.872	0.769	0.884
CA	100.3 (3)	—	1	—	—
CQ	352.9 (3)	—	1	—	—
PRE	700.7 (28)	0.093	0.926	0.945	0.961

Table 2. Unidimensionality assessment.

Correspondingly, CA is positively related with FMZ ($\beta = 0.488$, $p < 0.001$) and PLAN ($\beta = 0.573$, $p < 0.001$); meanwhile, CQ is positively related with PLAN ($\beta = 0.741$, $p < 0.001$), with a weaker relationship with FMZ ($\beta = 0.160$, $p < 0.1$).

PLAN is strongly and positively related with the sales-marketing PRE ($\beta = 0.610$, $p < 0.001$), in contrast with FMZ that has a negative non-significant relationship with the cross-functional interface PRE. See the resulting measures of fit for the hypothesized relationship among constructs in **Table 3**.

4.4. Qualitative results

Results of the interviews confirmed the measured factors determining the success of the implementation of the launch of new products in the market and their relationship.

CA/CQ: Fluent and honest communication, discipline in fulfilling the agreed activities with commitment, on time and in form.

CQ: Communication of the project spreading energy and conviction, in addition to the information of attributes and objectives. To transmit a contagious enthusiasm of the passion to win is a key factor.

FMZ: Three-level committee meetings are carried out:

Project committee meetings are held monthly, in order to present key drivers (share drivers), market monitoring and progress, required actions and evaluation of results. Participants are directors and stakeholders involved in each area.

Category committee: Marketing and sales, working together in the project, are responsible for presenting the background, integrated action plan, market arrival and budget.

	χ^2(df)	RMSEA	GFI	NNFI	CFI
CA to FMZ	303.0 (21)	0.093	0.951	0.904	0.940
CQ to FMZ	565.9 (21)	0.121	0.929	0.915	0.947
FMZ to PRE	131.2 (53)	0.099	0.875	0.891	0.912
CA to PLAN	562.4 (28)	0.132	0.893	0.862	0.907
CQ to PLAN	837.5 (28)	0.140	0.891	0.898	0.930
PLAN to PRE	184.7 (64)	0.112	0.846	0.878	0.900
CA to CQ	700.7 (28)	0.115	0.950	0.940	0.968
CA to PRE	131.8 (43)	0.117	0.866	0.871	0.899
CQ to PRE	134.5 (44)	0.117	0.842	0.904	0.923

Table 3. The marketing-sales relationship's structural modeling results.

Executive committee or operational weekly meetings of marketing, sales with supply chain and finances are held where the details of the project and the final opening by a single key unit are shared.

PLAN: The proper marketing and sales planning of projects in advance, jointly elaborating each one of the stages that is conducted toward implementation in the market in synergy between both areas.

RE: Coordination in defining the information and actions involved to carry out the project.

This is a high priority for marketing and sales teams and therefore they share the relevance of the project. The focus of marketing and sales is different: for marketing a category is key, but in sales, the organization has many categories.

Alignment is natural if the project is large and where relevancy is high. In a small project, it is more difficult.

5. Discussion

5.1. Research implications

Despite growing interest in understanding the drivers of the innovation process [3, 4, 26] and more recently by Wiebmeier et al.(in Ref. [5]) introducing the relevance of sales, the deployment of innovation based on the cross-functional marketing-sales relationship has not been previously studied.

Second, extant research consistently reported sales and marketing as a key cross-functional interface to enhance business performance and to create superior customer value (e.g., see [1, 2, 7, 8]). However, empirical research has been conducted in emergent geographies like South America.

Results show that both—amount and quality communication—influence the perceived effectiveness of marketing-sales relationships during innovation deployment. The amount of shared communication and its quality also enhance the positive effect of joint planning on this variable, but only the frequency of communication affects the formalization of the process. The findings also suggest that joint planning strongly influences the perceived effectiveness of sales-marketing interface, unlike the Stage-Gates formalization non-significant (negative) effect on this dimension.

These results are consistent with the findings of Lovejoy and Sinha [24], stating that efficiently innovative organizations do not look like standard formal organizations with strict and unchanging lines of communication. The strong and positive relationship of communication with sales-marketing effectiveness is consistent with past literature [19, 20]. Nevertheless, according to the interaction point of view [20] and contrary to previous research [3], the amount of communication has a positive effect on the relationship effectiveness between sales and marketing.

5.2. Managerial implications

These findings are relevant for firms deploying innovation through marketing and sales cross-functional teams, providing insights into how to improve sales and marketing teams' perceived relationship effectiveness to positively affect product innovation and performance [21].

Results indicate that value creation is not just a result of the formalized Stage-Gates process; it needs to be nurtured over time to promote joint planning in a collaborative mindset and behavior. Further, it is shown that both, formalization and joint planning, can be effectively enhanced by encouraging the amount of marketing-sales communication strategies, improving new product success rates, market share and sales growth [22]. Managers should implement systems to stimulate information sharing (both quantity and quality) to set and reward sales and marketing based on shared goals [8].

Finally, the evidence provided by this research could help multinational companies expanding into emergent markets like Latin America to implement effective cross-functional relationship in the host countries.

6. Limitations and directions for future research

Despite providing a complete picture of South American emerging markets, since this study was performed in a consumer goods packaged company in different countries, the applicability of our findings to other industries needs to be tested.

A more detailed examination of a bigger number of firms, on other taxonomical industries [11], would give us more insightful information of the innovation process. Additionally, cross-functional relationships are affected by a wide range of factors; thus, future research could draw on other frameworks such as the impact of different "linkage devices" on trust and how social network mechanisms help firms internalize resources and transform them into product and process innovation.

From the methodological point of view, despite being recently studied [3, 22], future work could add objective measures to the subjective construct of "perceived relationship effectiveness", such as new product turnover, market share and mix participation inter alia.

7. Conclusions

This study focuses on the organizational team's innovation process between marketing and sales of a successful global company in six different countries of South America.

In contrast to recent studies, this research builds on the interaction and roles of sales and marketing, operating as distinct functions but deploying new product launches jointly.

The research contributes to the understanding of factors that can enhance the team's innovation process between marketing and sales managers, specifically in Latin American emerging markets who are capitalizing post-crisis growth by delivering products of value to consumers and clients.

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Impact of National Culture on the Bonus' Use for Teamwork

Ginevra Gravili

Additional information is available at the end of the chapter

Abstract

Today, organizations use teams as primary work units adopting team rewards and incentives in which group members' pay is at least partly contingent on measurable group performance. It is the process of compensating a group of employees based on their combined contribution to a particular project or goal. They could be monetary (for example: team bonuses, team commission, shopping vouchers for each team member, etc.) and nonmonetary (team celebration—gateaway bonding activity, team dinner, tickets to a sports event etc., team trip/holiday—may include spouses, team merchandise—team jacket, pin, emblem to build team identity, recognition certificates, team recognition award—public mention and appreciation, team time off away from work). This chapter overviews the empirical research on team-based bonuses and aims to understand if cultural dimensions can interfere or facilitate the diffusion of bonus for teams and suggests directions for future research. The analysis demonstrates that culture may play a critical role in the success of team-based reward programs or in the employee resistance to teams.

Keywords: national culture, team work, bonus for team, Hofstede's model, incentives

1. Introduction

In recent years organizations have increased the usage of teams that are becoming the primary work units. The growing interdependence between tasks [1], the flattening of organizations, the diffusion of the technology's use has contributed to the increasing of teamwork. As consequence, the research, developed in last years, has focused on bonus based, that is, on the performance of the employed group and on the mechanisms, which influence the collective motivation of team members [2]. A bonus is a reward given after the individual has achieved

his or her target. For example, if a target is achieved or if a deadline is met, the team can be rewarded with a bonus. A reward can be monetary or nonmonetary. It can be given as either a bonus or an incentive. These terms are different. In fact, a monetary reward is a financial benefit given to an individual or a team. A nonmonetary reward can be measured in nonfinancial terms, and it can even be a simple appreciation or gift. The bonus is considered as an "integral integrating mechanism" through which it's possible to achieve an organization's strategic objectives" and it derives by a "deliberate utilization of the pay system" [3]. It is a monetary managerial tool that contributes to achieve high levels of performance [4] by group behavior [5]. The research shows that frequently incentive systems each have different effects (positive or negative) on team members [6]. Several are advantageous, improving communication skills, increasing the involvement of employees, promoting cooperation among employees, intensifying stronger bonds among the workers, developing a friendlier climate at the workplace, which improves efficiency personnel. In most cases in a group, it is possible to exchange ideas creating a synergism that contributes to motivate the employees' to strive toward the common goal. This is the consequence of the fact that cooperation helps to achieve tasks for workers who could not perform individually, even if sometimes the outcome is quite different. It's possible, in fact, that they lose the sense of how each and every one of them is contributing to reaching the goal causing competition instead of cooperation.

For this reason, incentives are critical to the functioning of the team [7–9].

Thanks to team-based incentives, companies can motive personnel to be self-going [10] and as well as ultimately lead to organizational effectiveness. They are able to develop a sharing knowledge if the bonus is delivered when everybody has the same level of knowledge.

So, organizations are using group-based bonus plans to initiate changes in organizational culture, and supporting such changes [11].

Our results make two important contributions to the literature. First, our paper contributes to the discussion of the impact of cultural identity in organizations. The results show that cultural dimensions can have different effects on incentive schemes. Secondly, our research shows that 'cultural' factors critically affect how incentives are distributed and as a result, when organizations are more likely to use them and when not.

The chapter proceeds as follows: a short literature review is presented in Section 2 and the methodological design is described in Section 3. Section 4 discusses results of the research questions based on a logit model that illustrates the different effects Hofstede's [12] cultural dimensions can have on incentives' use. Section 5 presents conclusions.

2. Literature review

From this perspective, what has captured our interest research is the fact that a complex and profoundly articulated relationship exists uniting cultural dimensions and the adoption of bonus systems for the team.

Team-based bonuses are the best way to encourage cooperation [13] and "are likely to enhance members' pro-social behaviors and as a result, boost members' capabilities, flexibility, responsiveness, and productivity" [14].

The choice of planning a bonus for teamwork depends on differences reflected in cultural diversity [15]. In actual fact, the mental attitudes of management can be influenced by the context, which, in turn, may be planned with intention.

A short literature review has identified several arguments in postulating the nature of the relationships among cultural dimensions. Cultural differences, as Hofstede affirms in his study, reflect different values: rituals, heroes, symbols, and practices represent factors which involve different levels—national and individual—and, influencing bonus strategies, they can lead the generating competitive advantage for the firm [16]. In fact, several researchers have explored the relationship between national culture and its role while designing bonus, highlighting that a mismatch between compensation strategies and cultural characteristics can have important consequences. For example, in 1998 Hampel [17] showed how national cultural values of Hofstede's model influence the choice of different social benefits. In addition, Schuler and Rogovsky [18] have explored the relationship between the cultural dimensions suggested by Hofstede and compensation practices based on status performance. Researchers have noted that "Whether employees like team incentives … depends on whether the reward system is congruent with the other management systems and the philosophy and culture of the organization" [19]. National culture is important because it provides employees a shared understanding of the behaviors that will be valued by the organization .

In fact, different styles and contents allow us to understand because in some organizations team incentive systems are present and if they are good tools to motivate employees. For example, members with highly collectivistic values contributed to their group's performance [20], on the contrary individualists are more motivated by personal gain and their contribution to a team is driven only by personal interest. In a highly individualistic organizational culture, the introduction of bonus for teams is likely to be faced with considerable resistance whereas team-based rewards are more likely to be embraced in organizations with collectivistic cultures [21].

Cultural values may be important to the success of team-based rewards because team goals and expectations must be communicated to employees, achievements must be recognized, and feedback must be shared [22]. Research on individualistic/collectivistic is more observed in small than large group and when they can be identified [23].

There are numerous studies about culture [24–38], but most of the literature, especially that one that focuses on a collective approach, is based on studies carried out by Hofstede [29, 39].

Hofstede's survey was conducted twice around 1968 and 1972 producing more than 116.000 questionnaires. The people interviewed were employees of IBM in more than 50 countries and 3 regions. In the first analysis, he analyzed four cultural dimensions (Hofstede's classic model): power distance, individualism, masculinity, and uncertainty avoidance. Later, he added a fifth dimension related to Confucian countries: long-term orientation.

Hofstede assessed the different societies on the basis of the results and gave them a score between 0 and 100 defining more closely the shape of the dimension in that country.

Power Distance (PDI) measures "*the degree to which the less powerful members of a society accept and expect that power is distributed unequally*".

Individualism (IDV) expresses the degree of how much people are integrated into groups. That is if the feeling of "we" or "I" is present.

Masculinity (MAS) suggests the society's preference "*for achievement, heroism, success on the masculine side – or the preference for cooperation*", taking care for others and quality of life on the feminine side.

Uncertainty Avoidance (UAI) reveals how people, in different countries, deal with uncertainty and ambiguity. Pragmatic (PRA) examines the society's thinking on the present and the future.

Long-term oriented people prefer to live in a sustainable way and they try to create change in the situations to get maybe even better future prospects. In short-term oriented societies, on the contrary, people are linked to the past and present values such as national pride, respect for tradition, preservation of "face", and fulfilling social obligations. In 2010, Minkov added a new dimension: the Pragmatism [40]. It deals with similar questions of long-term orientation. Hofstede's study uses the Pragmatic vs. Normative approach for its surveys. The Pragmatic vs. Normative dimension represents the desire of individuals to explain the things, which are going on all around us. In normative societies, people want to explicate all things and want to investigate the secret how something is happening. But in pragmatic societies individuals just try to manage the situations and live without thinking what it'll happen. In this case, it's probable that they accept and adapt to different situations. The sixth dimension is Indulgence (IND). A high level of indulgence means that a society gratifies the natural human impulse and essential needs and desires as well as to have fun. In other countries, the society establishes rules and norms to control human life and restricts the gratification of the cited needs. Today these values have been analyzed for 74 countries.

Table 1 [41–46] below offers an overview of the critique of Hofstede's studies by key researchers in the field:

Based on the theories from the literature, a set of propositions is developed that reflects relationships between national culture and employees' bonus. In particular, the study tries to answer the following research questions:

RQ 1. Do Hofstede's cultural dimensions influence the use of bonus systems for a team?

RQ 2. Is the relation between the use of bonus systems for team and Hofstede's cultural dimensions positive/negative and relevant?

To investigate the above research question, data collected in the Cranet Survey are used (2014–2016). The units of observation are firms, public, and nonprofit organizations located in 7 European Countries: Austria, Denmark, Finland, Greece, Italy, Spain, and Sweden.

Critique of Hofstede model by:	
Warner- Søderholm G. (2010)	Hofstede doesn't consider Cronbach's alpha reliability coefficients.
GLOBE team (Javidan, M., House, R. J., Dorfman, P., Gupta, V., Hanges, P. J., and Sulley de Luque, M., 2006)	Hofstede's work doesn't include fact finding, planning, action steps, evaluation, amended plans and further action.
Kirkman, B. L., Lowe, K. B., and Gibson C., (2006)	Hofstede's framework does not tell us what complementary cultural values exist beyond Hofstede's five dimensions and what individual attributes (e.g. cognitive) might be more proximate to employee feelings or actions than cultural values.
McSweeney B. (2002)	Uni-level analysis precludes consideration of interplay between macroscopic and microscopic cultural levels between the cultural and the non-cultural.
	Hofstede relies on notions of national cultural sharedness: those values are common to all individuals within a nation and he applies a statistical aggregation.
	Hofstede inconsistently relies on a statistical averaging of heterogeneous 'components'. Using a large number of respondents does not itself guarantee representativeness.
	Hofstede's principle data comes from respondents working for one multi-national company: IBM. Questions arise as to whether the data reflect an organizational culture rather than cross-national data.
Sivakumar, K. and Nakata, C. (2001)	Hofstede's work ignores within- country heterogeneity.
Schwartz, S. H. (1994)	The survey Hofstede designed may not have contained all relevant questions for a societal cultural study as it was originally designed for an organizational study.

Table 1. Critique of Hofstede's studies Methodological design.

In this context, the tools offered by inferential statistics will allow to use the survey data to make predictions on the countries for which there is not any type of observations, neither according to Hofstede's approach. This way, it is possible to predict and estimate, through a function, which elements of cultural dimensions can help or hinder the use of incentives for the group.

2.1. Dependent variable

The dependent variable is bonus' use for managers, professionals, and clericals that operate in teamwork. The source of these data is the Cranet Survey, a research project carried out in 2014–2016 by a global network of HRM studies. This project, originally launched in 1989 by the Cranfield University, studies HRM within private, public and non-profit sectors, through a detailed questionnaire administered simultaneously in many countries (more than 40) by local research groups. The questionnaire investigates Human Resource strategies in organizations and its responses have been gathered in a unique database. The analyzed variable, used in this analysis, responds to the question: "Do you offer any Bonus based on team goals/performance?"

The sample of this research consists of 1253 firms.

Observing **Figure 1**. it comes out that the sample is constituted for 64% by private sector, 28% by the public sector, 4% by not for Profit, 6% mix.

Our sample includes a company with different size. Our investigation is inherent in the SME geographically located in Europe, so it is defined as a small business enterprise which has fewer than 250 employees; medium size company that one which has a number of employees between 250 and 500, and large enterprise with more than 500 employees (**Figure 2**).

The choice to use the number of employees to differentiate businesses as the only criterion has been driven by the objectivity and simplicity of application, even if it has important limitations: primarily because the number of people employed is dependent on the sector of the business [47] and this is why social recruitment has been related also to the sector of the business; then because full-time employment is decreasing, while there are new innovative forms of work such as part-time work, casual work or temporary work [48]. For this element, it has chosen to include the number of employees even those with more flexible forms of contract.

2.2. Independent variables: cultural dimensions

Our model aims to analyze Hofstede's culture model.

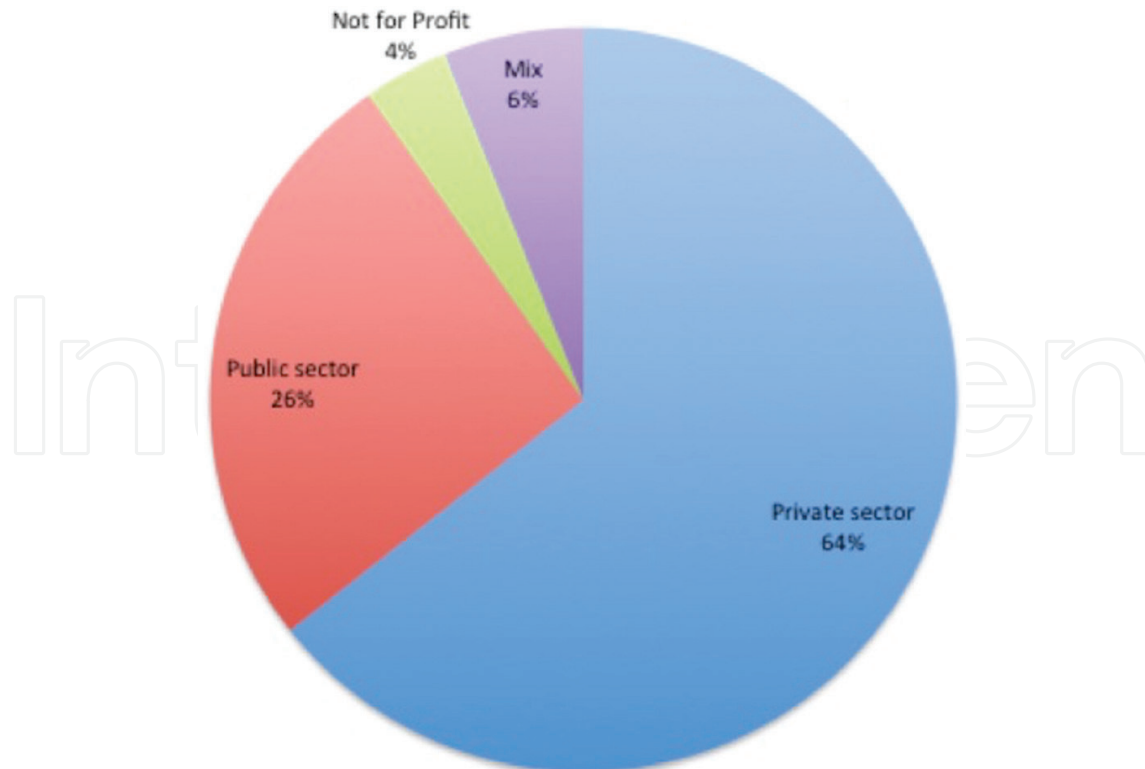Hofstede's values of a sample of the research are shown in **Figure 3**:

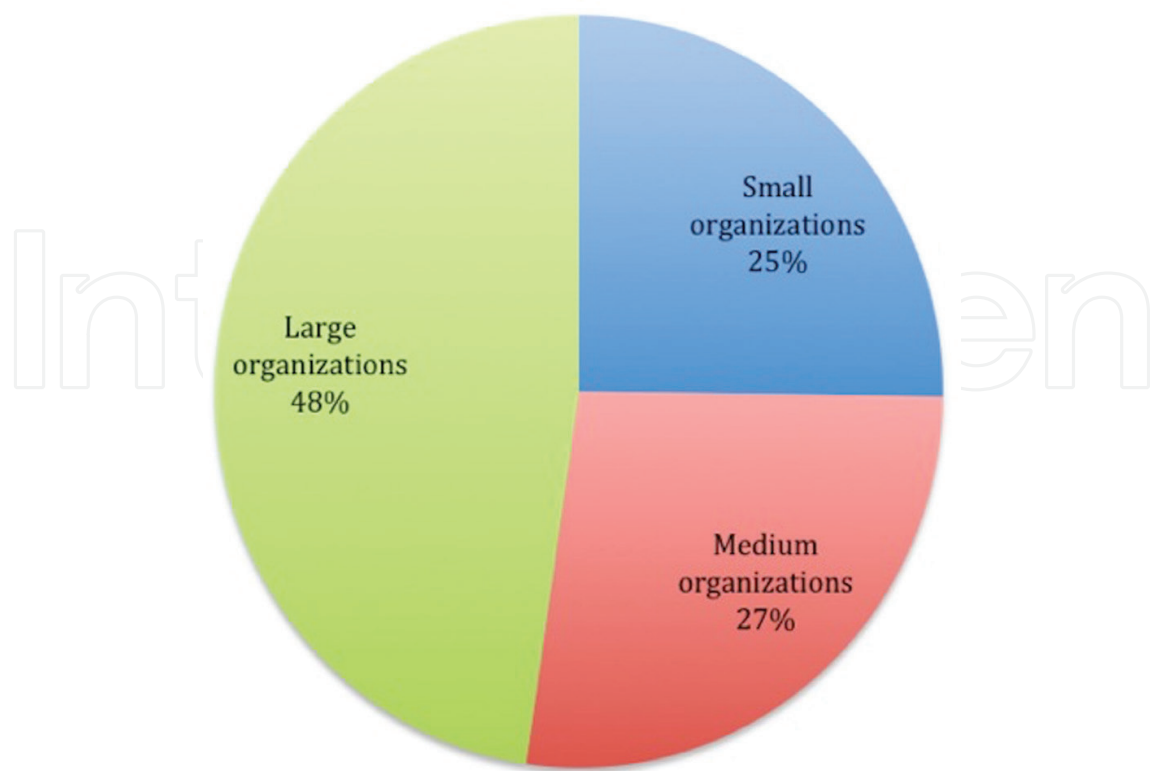
Figure 1. Sectors of the sample.

Figure 2. Small, medium, and large organizations of the sample.

	Austria	Denmark	Finland	Greece	Italy	Spain	Sweden
Individualism	55	74	63	35	76	51	71
PDI	11	18	33	60	50	57	31
Masculinity	79	16	26	57	70	42	5
Uncertainity Avo	70	23	59	100	75	86	29
Indulgence	63	70	57	50	30	44	78
Pragmatism	60	35	38	45	61	48	53

Figure 3. Hofstede's cultural dimensions of the sample.

3. Results

For Hofstede's dimensions (**Figure 4**), there is a significant correlation among all variables except for Masculinity. Individualism (−0.372), Power Distance (−0.069), Uncertainty Avoidance (−0,248), and Indulgence (− 0.367) have a negative correlation while Pragmatism (0,1588) has a positive correlation with the presence of group's bonus for managers.

For Hofstede's dimensions (**Figure 5**) there is a negative correlation for, Individualism (−0.339), Power Distance (−0.1149), Masculinity (−0.064), Uncertainty Avoidance (−0.192), Indulgence (−0.378), while there is a positive correlation for Pragmatism (0.163) and the presence of group's bonus for professionals.

```
Logistic regression                          Number of obs   =        1253
                                             LR chi2(6)      =      170.34
                                             Prob > chi2     =      0.0000
Log likelihood = -778.05838                  Pseudo R2       =      0.0987
```

Bonusformanagers	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
INDIVIDUALISM	-.3723265	.0715324	-5.21	0.000	-.5125274	-.2321256
PDI	-.0691914	.0246913	-2.80	0.005	-.1175854	-.0207974
MASCULINITY	-.0321256	.019878	-1.62	0.106	-.0710857	.0068346
UncertainityAvoidance	-.2487161	.0407117	-6.11	0.000	-.3285096	-.1689226
Indulgence	-.3679661	.0701065	-5.25	0.000	-.5053723	-.2305598
Pragmatism	.158823	.0361465	4.39	0.000	.087977	.2296689
_cons	55.45658	10.53335	5.26	0.000	34.8116	76.10155

Figure 4. Logit model for managers of the sample.

```
Logistic regression                          Number of obs   =        1253
                                             LR chi2(6)      =      196.91
                                             Prob > chi2     =      0.0000
Log likelihood = -751.17231                  Pseudo R2       =      0.1159
```

Bonusforprofessionals	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
INDIVIDUALISM	-.3398171	.0674531	-5.04	0.000	-.4720227	-.2076116
PDI	-.1149027	.0230714	-4.98	0.000	-.1601218	-.0696837
MASCULINITY	-.0646756	.0183937	-3.52	0.000	-.1007266	-.0286247
UncertainityAvoidance	-.1922184	.0394294	-4.88	0.000	-.2694986	-.1149382
Indulgence	-.3783459	.0658801	-5.74	0.000	-.5074685	-.2492232
Pragmatism	.1632897	.0338182	4.83	0.000	.0970072	.2295721
_cons	52.76328	9.939164	5.31	0.000	33.28288	72.24369

Figure 5. Logit model for professionals of the sample.

```
Logistic regression                          Number of obs   =        1253
                                             LR chi2(6)      =       98.38
                                             Prob > chi2     =      0.0000
Log likelihood = -704.07649                  Pseudo R2       =      0.0653
```

Bonusforclericals	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
INDIVIDUALISM	-.053704	.067281	-0.80	0.425	-.1855723	.0781643
PDI	-.0101692	.0222855	-0.46	0.648	-.053848	.0335096
MASCULINITY	.0055369	.0176413	0.31	0.754	-.0290394	.0401133
UncertainityAvoidance	-.0343112	.0409839	-0.84	0.402	-.1146381	.0460157
Indulgence	-.0736944	.0648506	-1.14	0.256	-.2007993	.0534104
Pragmatism	.0168269	.0330318	0.51	0.610	-.0479143	.0815681
_cons	7.983925	9.893923	0.81	0.420	-11.40781	27.37566

Figure 6. Logit model for clericals of the sample.

For Hofstede's dimensions (**Figure 6**) and the presence of group's bonus for clericals, there is not a significant correlation with bonus use for the group.

4. Discussions

The analysis of Hofstede's cultural dimensions and bonus' use has shown that for:

- All variables of clericals show a clear impact among these variables and the use of bonus for groups does not emerge;

- Individualism—there is a significant negative correlation (r = 0.000 ***, in both cases) between this variable and the use of bonus for managers and professionals. In high institutional collectivist environments, individuals learn to put the institution over individual goals, so it suggests that societies with high values in institutional collectivism are more likely to provide incentives. High levels of this form of collectivism foster the development of trust, which is important for the uncontrolled and spontaneous interactions in groups, because it is not possible to have an exchange without trust, that is, failing the tacit assumption that the other person is able to exchange knowledge, skills and ideas. Although reference is made to other authors for a comprehensive review of studies carried out on trust, one cannot fail to mention the best-known literature [49] according to which "trust is a psychological state that contains the intention to accept the vulnerability based on positive expectations of behavioral intentions of another person". According to Fukuyama [50], it is "the expectation that a normal, honest and cooperative behavior, based on common rules, creates in a community by other members of that community." Another widespread notion in the organizational literature is that one according to which trust is an important independent variable and is the cause "of an increase in cooperation processes" [51–53]. Moreover, self-confidence can be considered a dependent variable, which is the result of the formation of a common identity and experience, a dynamic variable [54] and an evolutionary variable as it evolves in relation to the situational context [55]. Then, if we consider that with the passing of time the interactions among members take into lower consideration the conventional measures of compliance and coordination [56], it is easy to guess that it will be created an 'atmosphere of trust that will help to keep unaltered interpersonal relationships even in difficult periods, enabling the development of a long-term cooperation [57]. From this brief summary of the literature, it comes out that trust is produced through repeated exchanges among players, and therefore it can be considered one of the variables, which is positively correlated with use of incentives.

- Power Distance—there is a significant positive correlation (r = 0.005 ***, for managers; r = 0.000 *, for professionals,) between this variable and the use of bonus. The establishment of a social bond in groups gets free from territorial, institutional or linked-to-power membership and is based, instead, on sharing interests and knowledge, on collaborative processes and collaborative learning. In this context the structure of knowledge understood in the traditional way is changing and, with it, the structure by which reality is interpreted. Groups allow, as a matter of fact, completely modifying the relationship between

the content to be developed and user, redistributing the control and the power of information among all the participants. It is therefore detectable a relationship in which the higher the value of the Power Distance, higher will be the necessity to use incentives to achieve the goals in groups.

- Masculinity values—there is a significant negative correlation ($r = 0.000$ ***, for professionals) between this variable and incentives' use, while for managers a clear impact between this variable and the use of bonus does not come out. In organizations, the communities set a dynamic process of generating a new knowledge based on the interaction of negotiations aimed at ensuring the mutual integration between men and women. Groups are thus composed of people (regardless of gender) who share interests, aspirations, ideals, and who live in a space characterized by an intimacy of relationships that is opposed to the society based on gender ties. As a result, it is possible to state that the degree to which the gender inequality is minimized is positively correlated with the use of incentives.

- Uncertainty Avoidance—there is a significant negative correlation ($r = 0.000$ ***, for managers; $r = 0.000$ ***, for professionals,) between this variable and the use of bonus. Individuals from cultures that favor a high level of uncertainty avoidance prefer order and stability whereas those from cultures that favor low uncertainty avoidance are relatively more comfortable dealing with uncertainty and less formal structure [58], that is teamwork and the use of bonus. These differences may have consequences for how individuals perceive the need for task and role structure. For instance, people from low uncertainty avoidance cultures may be less inclined to seek early closure on the clarification of roles, accountabilities, and task structure.

- Indulgence (as it should be HOP)—there is a significant positive correlation ($r = 0.001$ *** for professionals) between this variable and incentives' use for professionals, while for managers and clericals a clear impact between this variable and the use of bonus does not come out. There is not a significant correlation between managers and clericals. Cooperating means establishing functional relationships, considering other people as necessary and indispensable resources for the achievement of a common goal. In high humane oriented environments, individuals treat each other with fairness, altruism, and care. There are various theories to explain the specificity of human cooperation, each influenced by the partiality of the privileged cooperation schemes: the theory of consanguineous selection that focuses cooperation between genetically related individuals; the theory of direct reciprocity that insists on egoistic incentives in bilateral interaction of cooperation (I give and you will receive); the theory of indirect reciprocity, which shows how cooperation emerges when a reputation of the cooperators can be built; a more recent theory is the "theory of altruistic punishment" which favors, in the genesis of cooperation, the willingness to punish those who do not cooperate or those who violate the rules, even if the punishment itself does not bring any gain for those who cooperate. Human behavior is complex and certainly, these theories do not complete the observations, which can be obtained from phenomena of altruism and cooperation that each individual can do. The importance of social habits in the animal kingdom is documented by the resource of aggregation, which is useful to protect against environmental adversities and to easily search for food. Mankind's progress and

emancipation are acquired through the practice of co-operation between people, even from very different cultures, and each human activity, from art to the exchange of goods, benefits from the spirit of solidarity more than from conflict. This perspective allows stating that collaboration enhances an atmosphere of non-judgment that results in acceptance of diversity in all its manifestations and, therefore, in the acquisition of a cooperative mentality which can find significant application in making the individual capable of cooperating. In a wider perspective, it can be said that external environment is continually perceived and represented in internal mental states of the individual so that individuals can develop themselves in all the activities that they carry out. Therefore, it can be said that individual can learn to cooperate and that the degree of transposition of this ability developed in groups is positively correlated with the use of incentives.

- Pragmatism—there is a significant positive correlation ($r = 0.000$***, for managers; $r = 0.000$***, for professionals) between this variable and incentives' use. This result needs a reflection. Societies with pragmatic (long-term) orientation demonstrate perseverance for achieving long-term goals, the easy adaptability of traditions to the conditions. This means that they tend to allow gratification for their desires, enjoying life. They focus on individual happiness and well being, free time is very important. Positive emotions are freely expressed. These values are all expressed in groups.

5. Conclusions

This study extends a growing line of research demonstrating that culture may play a critical role in the success of team-based reward programs or in the employee resistance to teams. Kirkman and Shapiro [59] argue that cultural values such as power distance [60], determinism [61], and individualism [60] can influence the extent to which employees resist teams.

Based on this literature it has used a regression model (Logit) to analyze which, among cultural dimensions of three types of employees (managers, professionals, clericals), have the strongest relationship to the propensity to the use of bonus for the group. The research has considered that Hofstede's model of cultural dimensions demonstrate a significant relationship between cultural dimensions and the use of incentives.

In particular, there is a negative correlation between Individualism, Power Distance, Masculinity, Uncertainty Avoidance, and Indulgence and bonus; so when each of them increases incentives' use decreases. For Pragmatism, instead, there is a positive relation; so when it increases the use of bonus increases too.

These results are validated for managers and professionals and no for clericals. It is important to note that culture moderates but do not override individual personality. Moreover, prior experience in interacting with different cultures can change the effect of the original cultural influence [62].

Future works should extend this line of research to investigate the impact of bonus for the team on other national dimensions such as for Globe's model. Additionally, while bonus can

be understood as a special form of an incentive scheme, future research should test the effect of national culture on many different incentive systems.

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